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NEWS SUMMARY

ENERAL

Hunt for Jesuit mission killers

desian forces have launched g manhunt for the Sunday it killers of three British uit missionary priests and r nuns at St. Paul's Mission, sumi, 35 miles north-east of isbury. Pope Paul yesterday nounced the murders as a testable act of violence."

ather Dunstan Myerscough, year-old sole survivor of the sionary team, said that the rderers — about 12 black ican guerillas — argued ong themselves over who uld do the shooting.

t full strength the Jesuits e 150 missionaries in odesia. At present there are ween 120 and 130. Father rk Hackett, mission principal, v back to Africa from ndon last night. Page 6

ecret army 'to ke on Provos'

John McQuade, a 64-year- former Unionist MP at Stor- t who served as a Chindit he Burma campaign against Japanese, claimed connec- yesterday with a Northern and secret army of more 500 ex-servicemen with ructions to seek out and roy the Provisional IRA. A donderry man, aged 22, is to ear in Belfast Magistrates t to-day charged with the der of the Du Pont chief Mr. rey Agate. At Strasbourg the Government called on the opean Court of Human its to condemn Britain for rrogation techniques which it ged amounted to torture.

ssidents in ev probed

et authorities, in a move rently aimed at ending the inki Act monitoring groups, arrested Mr. Mikola enko, chairman of the inian group in Kiev and ducted searches affecting members of the Ukranian dent committee. From hington the U.S. Government essed "profound concern" t the "especially harsh" tment being accorded the dent Dr. Alexander Ginz- . Page 4

C fish licences

Soviet Union is likely to be ted a few days grace to for licences to fish inside EEC's 200-mile limits when ign Ministers of the Nine in Brussels to-day. Page 4

ncorde move

sh Airways and Air France to attempt to challenge in courts the ban on Concorde ts into New York's Kennedy rt. Meanwhile, British Air- expect to conclude a deal Braniff Airways enabling iff to borrow Concordes for ubsonic Washington-Texas ce. Page 5

chief named

ident Carter yesterday ed Admiral Stansfield er, 53-year-old Nato com- der in Southern Europe, to the Central Intelligence cy. Page 5

efly . . .

Labour Party's National utive Committee last night ed a peace plan to send the united into the next ral Election. Parliament, 12

Raj Narain, Mrs. Gandhi's er election opponent, has released from jail. Page 6. Feature, Page 14

Soviet Union launched z-24 into earth orbit with cosmonauts aboard.

mbe and Ramuk's Queen, nd 11-10 winners at Plump- were Dominic Wigan's nap next best selections. ay's racing, Page 2

ed shotgun raiders made off more than £17,000 from a p shop bank at Walsall in West Midlands.

BUSINESS

Equities gilts and sterling lower

● **EQUITIES** fell, though selling was relatively light. The FT 30-share was 6.3 down at 397.5 while the All-Share was 0.2 per cent. lower at 170.34.

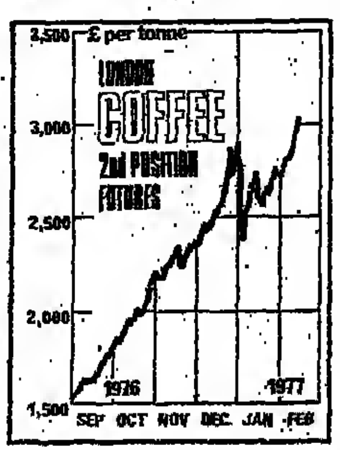
● **GILTS** weakened on announcement of January's Wholesale Price index and longs had losses ranging to a full point. Shorts closed with gains to ¼. The Government Securities index was 0.12 down at 65.78.

● **STERLING** fell five points to $1.7145; its weighted depreciation widened to 42.8 (42.7) per cent. The dollar's widened to 0.88 (0.84).

● **GOLD** rose $2 to $134¼.

● **WALL STREET** closed 1.58 down at 946.31.

● **THE FT** Commodity Index rose 2.90 to an all-time high of 269.71. Tin, lead and cocoa reached record levels while coffee topped £3,000 a tonne for the first time, the May position gaining £155 to £3,035. Page 44



● **U.S. TREASURY** Bill rates: threes 4.625 (4.720) per cent.; sixes 4.840 (5.008) per cent.

Meriden deal go-ahead

● **THE GOVERNMENT** yesterday cleared the way for the rebirth of the Meriden Motorcycle Co-operative under the guidance of the electrical group GEC. Back Page and Parliament, Page 12

● **MR. HAROLD LEVER**, Chancellor of the Duchy of Lancaster, indicated in the Commons that the Government may have second thoughts on the proposed sale of a £600m. stake in BP. Back Page. BP has made an encouraging gas find in the North Sea, close to the West Sole Field. Page 8

● **BRITISH LEYLAND** is seeking Government aid for a £80m. foundry modernisation plan. Page 7

● **SCANDINAVIAN** newsprint producers have followed the lead of British International Paper, the largest Canadian supplier, in cutting prices to U.K. users. Page 6

● **SAUDI ARABIA** and the United Arab Emirates have rejected a formula to bring OPEC prices into line and are standing firm by their decision to restrain price rises to 5 per cent. Page 6

● **DUTCH** unions have begun a major wave of phased strikes in their battle to maintain full and automatic indexation of their wages to prices. Page 4

COMPANIES

● **SECURICOR GROUP** pre-tax profit for the 53 weeks to October 1, 1976, rose to £3.51m. compared with £2.75m. in the previous 52 weeks. Page 32

● **INTERNATIONAL** Nickel of Canada net earnings for 1976 rose to $C196.8m. (£114.7m.) compared with $C188.9m. in 1975. Sales rose to $C2bn. ($C1.7bn.). Page 34

● **HOFFMANN-LA ROCHE** growth in 1976 will have been less than the expected 10 per cent., due to the appreciation of the Swiss franc, said the managing director of the parent company. Page 36

IEF PRICE CHANGES YESTERDAY

es in pence unless otherwise indicated).

RISES:

aury 3pc 1979	£88¾	+	¼
d Textile	100	+	5
and Lacy	120	+	9
nthian	18	+	4
utter Bros.	140	+	7
Group	145	+	17
loo Elec. & Gen.	99	+	12
ho	88	+	3
C. Holdings	88	+	10
asen	13	+	3½
dard "A"	37	+	3
ws Francis	58	+	4
li Tea	105	+	30
i Tea	150	+	30
non	250	+	10
ic Copper	38	+	11

FALLS:

Treasury 13¼pc 1993	£98¾	−	⅛
Allen Harvey & Ross	400	−	15
Assoc. P. Cement	178	−	5
BATs Defd.	215	−	5
Gillett Bros.	183	−	7
Glaxo	450	−	8
Hawker Siddeley	496	−	8
ICI	348	−	4
Lamson Inds.	82	−	15
Lloyds Bank	205	−	5
P. & O Defd.	133	−	5
Simon Eng.	145	−	5
Union Discount	315	−	13
BP	930	−	8
Shell Transport	518	−	8
Hampton Areas	89	−	6
MIM Holdings	200	−	7
Western Mining	114	−	6
Whim Creek	85	−	5

Wholesale price rise of 3¼% hits inflation hopes

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

A fresh indication that the promised decline in the rate of inflation is still several months away came yesterday with the announcement by the Department of Industry that prices charged for manufactured goods at the factory gate rose by 3¼ per cent. last month.

This is equivalent to the previous largest monthly increase two years ago and confirms the Price Commission's recent warning about a "hard winter" to come on prices, with no prospect of an easing in the rate of inflation before the early summer.

Sizeable price increases still have to come through to the factory gate (output prices) index, to judge by the 2¼ per cent. jump in the cost of industry's materials and fuel last month, also announced yesterday.

Although part of the large increase in both the output and the materials indices last month can be explained by exceptional factors, the reminder of a continuing high rate of inflation punctured some of the recent euphoria in financial markets.

Prices in both the equity and gilt-edged markets fell and the pound slipped back in the afternoon after earlier strength. Sterling fell by 30 points from its peak at one stage and dealers said there had probably been some intervention by the authorities to check the slide.

The pound closed 5 points down on the day at $1.7145, 7½ points above the low, with the trade-weighted depreciation widening by 0.1 to 42.8 per cent.

The Department of Industry says that more than half the 3¼ per cent. in output prices is the result of the combination of the annual bunching of price increases at the start of the year, the higher duty on alcoholic drinks and tobacco announced in December, and a sharp rise in food prices, especially milk.

Each of these three factors contributed more than ¼ per cent.

The increases were so widespread that the only sectors to show price rise of less than 2 per cent. were clothing and footwear, and bricks and cement.

But even after all allowance has been made for special influences, the underlying monthly rise is still in the range of 1¼-1½ per cent. of recent months.

The official hope is clearly that the underlying rate of increase in output prices will fall back within a few months as earlier raw material cost rises work through and the impact of the lower phase two wage settlements is felt.

Output prices have risen by 11.4 per cent. over the last six months and any improvement will take time to affect prices in the shops. The Government's hope is that by the late summer

Continued on Back Page

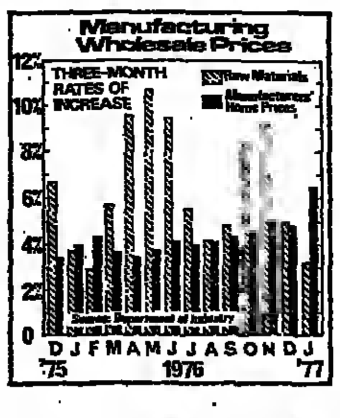
Editorial comment Page 14

WHOLESALE PRICES (1970=100)

		Output (home sales)	Materials fuels
1975	1st	176.0	220.9
	2nd	186.3	225.6
	3rd	193.4	239.3
	4th	199.1	256.1
1976	1st	206.9	266.5
	2nd	214.4	292.6
	3rd	223.2	306.8
	4th	233.9	329.9*
	Oct.	230.0	327.7
	Nov.	234.6	331.8
	Dec.	237.2*	330.1*
1977	Jan.	244.9*	338.2*

*=provisional

Source: Department of Industry



Managers feel they are treated unfairly

BY NICHOLAS LESLIE

LEADING INDUSTRIALISTS yesterday called for support in improving the position of British managers who were feeling embittered and demoralised. Many were finding that financial pressures were distracting them from their work.

The call came with the publication of a survey into the motivation of British management which discloses that managers feel they are being treated unfairly by the Government and that their expertise is not appreciated. Lord Plowden, chairman of the newly-created Equity Capital for Industry and former chairman of Tube Investments, said there had been a severe fall in the standard of living of managers.

He argued that it was in the national interest to do something to encourage these people, whom he described as "the most important group" in industry and commerce at the present time. "One of the first things that needs to be done is a restoration of some incentive through cuts in direct taxation," he declared.

The survey was carried out by Opinion Research Centre. It cost about £100,000, financed by funds from about 100 companies.

Among its major findings are that nearly 100,000 managers have thought seriously enough about leaving the U.K. to inquire about jobs or regulations abroad; that about 275,000 managers think promotion is not worthwhile because of the effect of taxation — indeed the survey states that many are not tempted to move for promotion even for an increase in salary of £5,000 a year; and that a mood of militancy is developing.

Most managers feel that their counterparts in Europe or North America are better off than themselves. One third say executives in their company are less dedicated than they used to be, and half say they would retire early to take another job provided they were on a pension.

Nearly 50 per cent. believe the Government's attitude on pay and taxation of managers is encouraging people to break the law.

Financial pressures, states the survey, have led to managers economising on buying clothes, drawing on capital, selling their car, cutting back on holidays, and to wives starting to work.

Among other industrialists seeking support for managers yesterday was Mr. John Methven, director-general of the Confederation of British Industry. He said Britain was climbing out of the worst economic recession since the war and "those who manage have got to be the best we have ever had."

Mr. Ray Pennock, deputy chairman of ICI, said that 200 managers working overseas were earning more than ICI main Board directors and were unwilling to fill vital posts in the U.K.—18 months ago the figure was only 70 managers.

Doubts about whether it would be possible for wealth-creating abilities of management to flourish in its present demoralised state was expressed by Sir Arnold Hall, chairman of Hawker Siddeley. Good management made "an immense difference" to industry. If management failed there would be fewer jobs on the shop-floor.

Mr. Ronald Halstead, deputy chairman of Beecham Group, disclosed that "we are now getting a queue of people wanting to leave the country," while Mr. Trevor Holdsworth, deputy chairman of Guest Keen Nettlefolds, said his group has lost chartered accountants to local authorities which were paying far higher salaries. Industry was being starved of talent, he said.

A Survey of the Motivation of British Management, Opinion Research Centre, 30, Welbeck Street, London W1M 8AB.

The TUC says the trade union movement will have to drop or delay some pay policy demands drawn up at last year's Congress if the attack on inflation and unemployment is to be maintained.

Back Page

Report Page 13

Wilson backs Lady Falkender in row over Honours List

BY RICHARD EVANS, LOBBY EDITOR

SIR HAROLD WILSON, the former Prime Minister, yesterday backed Lady Falkender, his political secretary, in the venomous row that has broken out with Mr. Joe Haines, former Press Secretary at No. 10 Downing Street and a member of the Wilson Kitchen Cabinet.

As Westminster watched fascinated and appalled at the spectacle of the no-holds-barred squabble, Sir Harold issued a sharp statement describing Mr. Haines's "so-called revelations" as "a farrago of twisted facts and alleged events that did not happen except in fevered imagination—obviously a dedicated hatchet job."

Mr. Haines said last night: "I stick by my story."

The personal dispute, which simmered for years when Lady Falkender and Mr. Haines both sought the ear of Sir Harold, surfaced when Mr. Haines alleged in extracts of his forthcoming book that Lady Falkender had drawn up the much-criticised resignation Honours List of Sir Harold.

In his book, The Politics of Power, now being serialised in the Daily Mirror, Mr. Haines writes: "The list from which Sir Harold prepared his own list was Lady Falkender's, written in her own hand on the lavender-coloured notepaper she often used."

The astonishing public squabble appalled Ministers and Labour MPs, who feared that the exposure of the jealousies of the notorious Kitchen Cabinet could do electoral damage to the present Administration.

In the resignation honours list published last May in the face of fierce criticism from MPs, there were nine new Life Peers, including show-business personalities, Sir Lew Grade and Sir Bernard Delfont, Sir Joseph Kagan, the clothing manufacturer, and Sir George Weidenfeld, the publisher.

Knighthoods went to James Goldsmith, the financier, and Stanley Baker, the actor.

The whole episode was thought by both Conservative and many Labour MPs to have soured Sir Harold's departure from office.

Lady Falkender, the former Mrs. Marcia Williams, branded Mr. Haines's claims as "wild and inaccurate," and added that the revelations "reflect poorly on someone who was supposed to be a loyal and trusted adviser to Sir Harold Wilson."

The full statement, hand-written on two pages of House of Commons writing paper with lines scored through the crest, added that Mr. Haines had the dubious distinction of having had a glass of whisky thrown over him by a colleague and of having broken a telephone receiver because of the strength of his temper.

In his statement, Sir Harold declared categorically that Mr. Haines's allegations about the Honours List were false.

"The list was drawn up by me, apart from some names suggested by Transport House at my request, and written down by Lady Falkender. The other names were written by me on a card in a note-case I always carry with me. The card still exists.

"The list was mine and at all times prepared by me. It is true that from time to time, though not on this occasion, I invited suggestions from a number of people at Number 10. Over the years, Joe Haines suggested far more names for inclusion in successive lists than Lady Falkender."

Continued on Back Page

Parliament, Page 12

Labour loses on workless rebates

By Rupert Cornwell, Lobby Staff

THE GOVERNMENT suffered a humiliating defeat last night when the Commons rejected on Second Reading a Bill that would have cut rebates to employers on redundancy payments to workers they had dismissed.

The Reduction of Redundancy Rebates Bill, which would have saved the Exchequer about £18m. in the 1977-78 financial year, formed part of the public spending cuts announced by the Chancellor in July last year. It is now lost for at least the current Parliamentary session.

Inept Whips

Although exulting Conservative MPs were claiming a crushing defeat for their opponents, the setback owed more to inept management by the Government Whips than to any particularly strong feeling about the measure itself.

Both sides had imposed a two-line Whip, under which a Member's presence is not absolutely obligatory, but Labour back-benchers had heard that there would be no vote and left for home early. When the division did come shortly after 10 p.m., the Bill was defeated by 130 votes to 129.

The reverse is a further reminder of the precariousness of Labour's position in Parliament, and was taken by some in Westminster last night as a sign of the growing disarray caused by the exhausting and interminable devolution debate. The Redundancy Fund, from which employers draw their rebates, was set up in 1965. Last night's Bill would have cut the repayment to companies from 50 per cent. to 40 per cent.

To complete a disastrous night, the Government was forced to withdraw a motion approving further harmonisation of commercial vehicle taxation in the EEC, after Tory and Labour back-benchers put down amendments complaining of out-of-date documents prepared for them on the subject.

A defeat on Second Reading, the main vote on the principle of a Bill, is an extremely rare event. Last night's was the first for many years.

Parliament Page 12

in New York

–	Feb. 7	Previous
Spot	$1.7155-7165	$1.7155-7160
1 month	1.18-1.12 dis	1.14-1.09 dis
3 months	4.48-4.41 dis	4.24-4.19 dis
12 months	10.00-9.50 dis	9.70-9.20 dis

Anti-dumping tax on Japan bearings

BY GUY DE JONQUIERES, COMMON MARKET CORRESPONDENT

BRUSSELS, Feb. 7.

THE EUROPEAN Commission made it plain yesterday that it is determined to maintain a firm line over what it considers to be unfair Japanese trading practices by imposing provisional anti-dumping duties on bearings from Japan.

The announcement came on the eve of discussions in other sectors to find ways of cutting the Japanese trade surplus with the Community—put at £2.28bn. in 1976.

Japanese and Community shipbuilders are to resume talks to-morrow on ways of achieving a fairer distribution of the declining number of new orders in their industry. The talks will be held in Paris within the framework of the Organisation for Economic Co-operation and Development.

Japanese Government sources described the Commission's decision to impose provisional duties on bearings of 20 per cent. of declared value as "extremely regrettable" and said it had been taken "without due consultation with the Japanese Government."

The Commission launched a preliminary investigation at the request of the European bearings manufacturers last November. The new duties are on ball bearings, tapered roller bearings and components exported to the EEC from Japan, and will be levied on top of the normal customs duty of 9 per cent.

They will remain on force for a maximum of three months to allow the Commission to complete its investigation. The EEC Council of Ministers will then decide what definitive measures should be taken.

For two Japanese companies, NACHI and Koyo, the additional duties will be only 10 per cent., reflecting their apparently lower dumping margins.

The Commission said that its investigation so far had found that the dumping margin varied widely from transaction to transaction and in some cases exceeded 30 per cent.

Such practices by the Japanese had depressed EEC sales by European manufacturers, causing redundancies and short-time working. Output had fallen by 10 per cent. between 1974 and 1976 in the worst-affected European regions.

The investigation showed that Japanese bearings imports by the EEC increased from 5,000 tonnes in 1968 to 15,600 tonnes in 1974 and 19,000 tonnes in 1975.

This trend is said to have continued last year, although no tonnage figures have been officially published.

The Commission said that its decision to impose the provisional duties was in accordance with the rules of the General Agreement on Tariffs and Trade and consistent with the EEC's traditional open trading policy.

The question of Japanese trade practices is expected to be raised to-morrow when EEC Foreign Ministers meet in Brussels. They will hear a Commission report on the state of the shipbuilding talks, in which the Japanese are understood to have taken a somewhat more conciliatory line recently.

Kenneth Gooding adds: The decision by the Commission was widely welcomed in London last night, although the U.K. has suffered far less at the hands of the Japanese exporters than the other countries which protested—West Germany, France and Italy.

This is because Japanese bearing imports have been limited by export control ordinances for four years up to 1975 and last year the Japanese agreed to continue "marketing in an orderly fashion."

Bearings move implies unfair trading Page 6

Editorial comment Page 11

FEATURES

FT SURVEY

ON OTHER PAGES

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LOMBARD

Housing finance: a modest proposal

BY ANTHONY HARRIS

PAST EXPERIENCE has taught me that *any proposal* at all to alter the rules on which owner-occupiers enjoy their present privileges is regarded by many readers as equivalent to Dean Swift's notion that the poor should sell their babies for the pot; yet there really is a problem, and proposals which would solve it are not meant to be satirical. Before we reach the point where everyone over 30 is an owner and everyone younger is homeless, such proposals will have to get a hearing.

What has provoked me to tackle the problem yet again is a *coincidence*: I happened to read an excellent discussion of the inner city problem by Professor Peter Hall in the current issue of New Society on the same day that I had a very brief discussion of indexed mortgages with Professor Bertie Hines.

Can play

Hall, among other points, draws attention to the findings of a survey of the problem in Lambeth, where an opinion poll showed that between a quarter and a third of the people in the area wanted to move out, but could neither afford to enter on owner-occupation, nor get a council house outside Lambeth. In other words, a more efficient housing market would all by itself produce the results preached for half a century by the Town and Country Planning Association—a better environment, thanks to lower densities, both inside the cities and outside.

A number of people, including myself, have been pointing out for some time that such solutions are ruled out for the time being by the impact of inflation on existing *systems* of housing finance. First-time buyers just cannot afford to service 12½ per cent. mortgages on existing house values: only those already in the system, who can meet half the price out of the large equity profit they have made on houses owned for five years or more, can play.

New and expanding towns which have to pay still higher interest rates to the Public Works Loans Board, and are expected to charge rents which will service this debt, can hardly contemplate new building (and proposals, including some from quite left-wing people, for ever higher rents only shows that they do not understand the financial problem). Indexed finance is the obvious solution for this long-term investment block, but the Treasury won't have it.

This is where Professor Hines comes in. He pointed out that the whole fuss would never have arisen if there was a really effective second mortgage market. Since mortgage interest rates are flexible, and never exceed the rate of inflation by a margin of more than 4 per cent. or so (they are at present below the general rate of inflation, but 4 to 5 per cent. above the rate of rise of house prices), constant borrowing against the rising value of a house would solve the problem. The poor buyer would give up his equity in inflation, but would only have to find cash payments of 5 per cent. at most (and out of gross income at that).

This seems to be a wonderfully neat statement of the principle involved, but the setting-up of a large — and no doubt State-financed — second mortgage business is not a very practical proposal in stringent times. There is an alternative.

Why should the building societies themselves not offer lender's-equity mortgages? The idea is simply that a proportion of each year's interest charge, provided it was covered by the general increase in house prices with something to spare, should be written into the capital debt instead of being collected in cash. This could be matched by house-equity deposit accounts, paying no interest but written up according to the same formula. Under building society rules, there wouldn't even be any tax problems. Here is a low-start mortgage, linked loosely to inflation, which does not raise the dreaded word "indexation." Somewhat similar terms for local authorities and private landlords would solve a lot of other problems.

Offend no one

Come to think of it, this proposal should offend no one at all; for those who always claim that the profits made from owner-occupation are illusory can hardly *object* to giving them up.

What is more, any proposal which would effectively cut the interest costs of house purchase drastically would take a great deal of the heat out of the debate about tax allowances; because the lower the proportion of the total costs of buying or renting which consist of interest payments, the less the advantage which tax allowances bestow over renting, in which debt service is paid out of net income. Given the much longer period over which a house can realistically be amortised against 20-year building society loans letting would be very nearly competitive. But that brings us into the area of rent control, and the half-hearted moves toward reform just initiated by the Department of Environment. Something fairly drastic is needed before we have a house market which will mobilise the housing stock and meet the needs of the would-be emigrants of Lambeth.

RACING BY DOMINIC WIGAN

Fresh Baylord could win

The 10-year-old Baylord, although not the most reliable of animals, is a smart three-mile chaser on his day, and I hope that he will make a winning reappearance to-day on his favourite course.

The Gordon Richards-trained gelding bids for his sixth success since the start of last season in the South Shields Chase, for which the in-form Rolls Rambler will probably be a firm favourite.

Arthur Stephenson's consistent six-year-old seems entitled to market position on his fine recent form. This has taken him to victories at Carlisle, Teesside and Ayr, but I believe it could pay backers to take a chance with Baylord, who usually runs best when fresh.

Another course specialist who could add to his record here is the nine-year-old Suspender, who goes for the Horden Chase. A winner three times from 14 starts last term, Suspender gained two of those victories over this course.

Suspender has not yet won this season, but has been running quite well. Last time out he put up a creditable effort when running Subway—to whom he was giving 5 lb—to a length in the Sedgefield Chase here.

I take him to go one better with a win over that smart young stayer, Bold Warrior, who notched up a quick hat-trick of successes before failing badly last time out.

Sam Hall, better known for his shrewd placing of high-class handicappers in valuable Northern prizes than for his jumpers, saddles Miss Sara for the first division of the novices' event, the Ryhope Hurdle. It will come as a surprise if she does not go close.

A remote eighth of 15 behind Monte Ceco at Catterick on her debut before Christmas, Miss Sara did much better at Teesside towards the end of last month, running Estate Agents to half a length in a 24-runner event. I shall be disappointed if she cannot reverse those placings on 3lb better terms.

However, a better bet than both these animals is possibly "Squeak" Fairhurst's tough course winner, Shirty Boy, who relishes the prevailing ground.

In the second division of this event it is hard to envisage the prize failing to go to either the Arthur Stephenson owned and trained Three Visions, a recruit from Ireland, or to Jack Hardy's Slap Happy.

Slap Happy will be favourite on the strength of his neck defeat at the hands of the highly rated Chartered Course at Teesside, but I *side* with Three Visions.

SEDGEFIELD

1.15—Charlie Bettyes
1.45—Shirty Boy**
2.15—Suspender*
2.45—Baylord
3.15—Crown Court
3.45—Three Visions***

SALEROOM BY ANTONY THORNCROFT

Chinese jade sold for £91,092

THERE WERE two successful sales at Christie's yesterday, with most items going for the forecast price or more. Perhaps the better was the auction of Chinese jades and snuff bottles, which brought in £91,092.

In particular a Ch'ien Lung mottled spinach green jade casket and cover, from the collection of the late Colonel George Malcolm of Poltalloch, doubled its estimate, going for £6,000, to W. Clayton. As always a 10 per cent. buyer's premium must be added to the hammer price.

A group of emerald green jade jewellery also did extremely well. A *dragon* beaded belt hook went for £3,500, as against a £500-£650 forecast, and one pendant made £4,300 (estimate £700-£1,000), and another £3,300 (estimate £250-£350).

Clayton also paid £3,200 for an 18th century spinach green circular shallow bowl, while among the snuff bottles a green jade bottle with a coral stopper was bought by Lopez for £850, about three times the forecast. A translucent pale grey agate snuff bottle sold for £460 to Sung, who also paid £260 for an ivory bottle, set with an imitation silver medal *of Queen Anne*.

There was also an auction of Continental porcelain which totalled £89,970. A Berlin ornithological part dinner service more than doubled its estimate, going to the Italian dealer Botti for £14,500. A Meissen Augustus Rex apricot ground beaker vase went to *Segal* from Basle for *£3,500*, and a group of 15 Meissen ornithological plates fetched £2,000.

Christie's is holding a much more important European porcelain sale on March 28. Indeed, taken with the second part of the sale on June 27, it comprises the best collection of Continental porcelain to arrive on the market since the War.

The porcelain is the property of a European private collector, and contains a unique complete group of 16 Nymphenburg Italian comedy figures, modelled by *Franz Anton Bustelli* between 1755-60. The group could collectively fetch something between £250,000 and £350,000.

The pair of figures of Harlequin and Lalage, which are expected to make the top price, sold for as much as £11,130 at a Christie's sale in 1954. This is the first time the entire series has appeared at auction, and since no permanent museum collection contains a complete set bidding could be fierce.

In addition to the Nymphenburg figures a major group of Augustus Rex vases, comparable only in the West to that on show at the Rijksmuseum in Amsterdam, is also to be auctioned, including a pair of lemon yellow ginger jars and covers with famille verte decorations, dating from the late 1720s. There are also Meissen crinoline groups modelled by Kaendler and more early Meissen.

At Phillips a furniture sale realised £37,360. A George II mahogany chest sold for £1,050, and a set of 12 antique Continental carved walnut dining chairs £920. The sale of watercolours and drawings brought in £10,321 and the prints £12,049.

CH'IEN LUNG JADE CASKET
Sold for £6,000 at Christie's

Four-day week at cigar plant

MORE THAN 700 production workers at John Player's cigar factory in Ipswich, yesterday began a four-day week.

The company blamed a drop in demand for cigars caused by price increases in recent Budgets and said it would review the situation at the end of next month or early in April.

WINE

Compulsory bottling pla has decided weakness

BY EDMUND PENNING-ROWSELL

STATEMENTS have appeared in the specialised Press that beginning with this year's vintage, but subject to a few years' derogation, all Bordeaux wine bearing a château label will have to be bottled at the château. In fact no decision has yet been made on the matter; but that is not to say that it may not happen. For at the instigation of the Fédération des Syndicats des Grand Vins de Bordeaux à Appellation Contrôlée—the whole tier of associations representing every class of AC bordeaux — the Institut National des Appellations d'Origine (INAO), the officially appointed controlling body, is looking into the proposal.

It is also considering the idea that no estate shall be entitled to use more than two names for its wine. This has much to commend it, as some minor growths seek to expand their sales by using several of the *sous-noms*—brand-names in effect — with which many of them are endowed.

Compulsory château-bottling for estate-labelled wine is, however, much more open to objection, particularly for us in Britain.

In part, no doubt, the idea is at least laudable: to provide guarantees of authenticity of origin; to provide to some extent local employment, both as regards bottle manufacture and bottling staff, and to increase local revenues and profit.

Lost identity

A decided weakness, however, is the implication that the small growers, of whom there are thousands in the Gironde, are the best people to look after the wine until bottled: to conduct the *élevage* as the term is. Even with the superior *crus bourgeois*, who nowadays tend to keep and bottle their whole crop, this is not always true, and for the smaller properties it is probably best for the wines to be dispatched from their cellars within six months of the vintage, either to the cellars of merchants, whose métier it is to treat the wines before selling in bulk or bottling it themselves, or to the co-operatives where naturally they lose their identity.

The small grower's job properly ends when the wine is made and nursed through its early life until the *égalisage*: the blending of vats, perhaps from different grape varieties, from vines of varying age or from separate parts of the vineyard. Of course there is a risk of blending in the merchants' cellars; but less now than in the past. And what is to prevent the growers from mixing a good vintage with a preceding poor one?

Nor are these lesser growers equipped to bottle all their wine, for they lack the necessary capital, the staff and often the accommodation to store considerable amounts of *bottled* wine. What is proposed, however, are mobile bottling plants, mounted on lorries that would back into the cellar yard and, through a pipe inserted into the casks, would pump the wine up to the bottling equipment. This is no new idea, and in the '50s was for a time much practised in Burgundy, largely owing to the American demand for "authentic domaine-bottled burgundy."

This operation, often relying on very heavy filtration that damaged the wine, was not, of course, what is generally thought of as "domaine-bottled," carefully carried out at the appropriate time by an experienced grower; and in some cases these results in Burgundy were pretty lamentable, partly owing to the poor *élevage* the wine had received in the preceding year or two in cask.

I am told that these "*chaînes mobiles d'embouteillage*" are now much improved, and that there are sufficient in the Bordeaux region to *carry* out the job efficiently and at the right time. If so, there must be almost as many as the British tanks at El Alamein. While the time of bottling may not be vital to within a month *or so*, there are limits to when this may best be done and it is hard to believe that the mobile plants will get round to all those growers who wish to sell their wine under their own label.

Indeed, some do quite a trade in selling small casks direct to consumers in France, who like to do the bottling themselves. Maybe it is the covert intention to reduce the number of château labels, and there may be something to be said for that, but if so this weapon is a very blunt one, likely to hit the producers as well as the consumers.

Among these latter we in Britain are likely particularly to be affected. For unless there is a very sharp improvement in the terms of trade, exchange rates and interest rates here on capital tied up, our demand for the more expensive bordeaux notably the classed-growth clarets, looks like being very much reduced. With the big groups, breweries and others, highly reluctant to buy *en primeur* on the scale normal until the last few years such *wines* are unlikely to be available widely here for those, including the institutions, p pared to buy them early. La of course, they will be m dearer, as older wines are France.

In any case claret drink are probably going to have rely more and more on the *bourgeois* that have always vided the soundest, best-v wines in Bordeaux. We not be content with geo Médoc or St. Emilion, nor the Bordeaux merchants' bra that with one or two excepti notably Mouton Cadet, never caught on here. It be snobbery or a desire for i viduality, but the château on a bottle has always bee attraction, and we are not to this. It applies also in gium, Germany and Scandin

Moreover Bordeaux-bottlin markedly more expensive British bottling, though fr costs are only marginally now we have containeris Good château-bottling costs much less than £4 a d whereas bottling here may less than half that fi Moreover, because British chants are used to bot a vast range of wines the time, rather than cor a once-a-year operation, are many who believe *bottling at least of minor* to be better done here tha source. For there is a tradition of bottling here, firms like Berry Brothers Averys of Bristol take great and pride in their own bott

Monopoly

This is also true of efficiently run, economi minded wine monopolie Sweden and Norway, and highly doubtful if they buy only château-bottled No doubt the proposal has influenced by an Am market entirely given ov source-bottled wine and b supermarket chains sim committed everywhere.

However even if the accepts the Bordeaux syndi plan, this has to be ap by the Government. This to not dissimilar proposals three years ago from Com ban bulk exports. Yet in of the *importance of the* trade at a time of dem this has never been ratifi while it is to be hoped t INAO, influenced by Bordeaux merchants who appear to favour this wholeheartedly will rej proposal in any case the Government will surely n to risk damaging the ex one of their most imp prestigious products

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TV Radio

† Indicates programme in black and white.

BBC 1

9.38 a.m. For Schools, Colleges. 12.45 p.m. News. 1.00 Pebble Mill. 1.45 Bod. 2.00 You and Me. 2.14 For Schools, Colleges. 3.20 Pobol Y Cwm. 3.53 Regional News (except London). 3.55 Play School. 4.20 Dastardly and Muttley in their flying machines. 4.25 Jackanory. 4.40 The Fur Coat Club. 5.00 John Craven's Newsround. 5.10 Country Search. 5.35 Magic Roundabout.

5.40 News.
5.55 Nationwide (London only).
6.20 Nationwide.
6.40 The Variety Club Awards from the Savoy Hotel, London.
7.20 The Waltons.
8.10 Warship.
9.00 News.
9.25 Fathers and Families.
10.40 To-night.
11.20 The Education Debate.
11.45 Weather/Regional News.

All regions as BBC 1 except at the following times:

Wales—5.55-6.20 p.m. Wales To-day. 7.20 Heddiw. 7.40-8.10 Ar Glawr. 11.45 News and Weather for Wales.

Scotland—5.55-6.20 p.m. Reporting Scotland. 11.20-12.00 History Is My Witness. 12.00 News and Weather for Scotland.

Northern Ireland—3.53-3.55 p.m. Northern Ireland News. 5.55-6.20 Scene Around Six. 11.45 News and Weather for Northern Ireland.

England—5.55-6.20 p.m. Look East (Norwich); Look North (Leeds, Manchester, Newcastle); Midlands To-day (Birmingham); Points West (Bristol); South To-day (Southampton); Spotlight South West (Plymouth).

BBC 2

11.00 a.m. Play School.
2.15 p.m. Other People's Children.
2.30 Wordpower.
3.00 Film As Evidence.
3.30 Peter Donaldson's Illustrated Economics.
6.30 Open University.
7.00 News on 2 Headlines.
7.05 Zarabanda.
7.30 Newsday.
8.10 Chronicle.
9.00 The Musical Time Machine.
9.45 The Man Alive Report.
10.35 The Punch Review.
11.05 Late News on 2.
11.15 The Old Grey Whistle Test.
11.55 Music at Night for lute by Dowland.

LONDON

9.30 a.m. Schools Programmes. 12.00 Noddy. 12.10 p.m. Hickory House. 12.30 Paint Along With Nancy. 1.00 News plus FT index. 1.20 To-day's Post. 1.30 Crown Court. 2.00 Good Afternoon. 2.25 Sam. 3.20 Rooms. 3.50 Emmerdale Farm. 4.20 Michael Bentine's Potty Time. 4.45 Magpie. 5.15 And Mother Makes Five.

5.45 News.
6.00 To-day.
6.35 Crossroads.
7.00 Dave Allen and Friends.
7.30 The Six Million Dollar Man.
8.30 Robin's Nest.
9.00 This Year, Next Year.
10.00 News.
10.30 Collis Peace.
11.15 "The Night of the Full Moon," starring Dermot Walsh.
12.25 a.m. Close: Roger Snowdon reads prayers for peace.

All ITV regions as London except at the following times:

ANGLIA

1.25 p.m. Anglia News. 2.00 Houseparty. 5.15 Star Maidens. 6.00 About Anglia. 11.15 Baretta. 12.15 a.m. Men Who Matter.

ATV MIDLANDS

1.20 p.m. ATV Newsdesk. 5.15 Spiderman. 6.00 ATV Today. 7.30 Hawaii Five-O. 11.15 Journey into the Unknown.

BORDER

†1.20 p.m. Border News. 2.00 Houseparty. 5.15 Out of Town. 6.00 Border News and Lookaround. 7.00 Mr. and Mrs. 7.30 Emergency! 11.15 The Streets of San Francisco. †12.10 a.m. Border News Summary.

CHANNEL

†1.20 p.m. Channel Lunchtime News and What's On Where. 5.15 Supersonic. †6.00 Report at Six. 7.00 Sale of the Century. 7.30 The Streets of San Francisco. †11.15 Commentaires et Previsions Meteorologiques.

GRAMPIAN

9.25 a.m. First Thing. 1.20 p.m. Grampian News Headlines. 5.15 Run, Joe, Run. 6.00 Grampian Today. 6.10 Country Focus. 11.15 Reflections. 11.20 The Protectors.

GRANADA

1.20 p.m. This Is Your Right. 5.10 This Is Your Right (repeat). 5.15 Crossroads. 6.00 Granada Reports. 6.30 The Protectors. 7.30 The Streets of San Francisco. 11.15 The Collaborators. 12.10 a.m. *Thank You and Goodnight.*

HTV

1.20 p.m. Report West Headlines. 1.25 Report Wales Headlines. 2.00 Houseparty. 5.15 Breaktime 5. 5.20 Crossroads. 6.00 Report West. 6.15 Report Wales. 6.30 Happy Days. 7.00 Three Little Words. 7.30 Hawaii Five-O. 11.15 Phyllis.

HTV CYMRU/WALES—As HTV General Service except: 1.20-1.25 p.m. Penawdau Newyddion y Dydd. 4.20 Miri Mawr. 4.35-4.45 Wstibethna? 6.00-6.15 Y Dydd. 6.30-7.00 Forum. 10.30 Bywyd. 11.15-11.45 *World in Action.*

HTV WEST—As HTV General Service except: 1.20-1.30 p.m. Report West Headlines. 6.15-6.30 Report West.

SCOTTISH

†1.25 p.m. Road and Weather Report. 5.15 Pipet and his Friends. 5.20 Crossroads. 6.00 Scotland Today. 6.30 Welcome to the Ceilidh. 7.30 Hawaii Five-O. 11.15 Late Call. 11.20 Night Gallery.

SOUTHERN

1.20 p.m. Southern News. 2.00 Houseparty. 5.15 Popeye Ace of Space. 5.20 Crossroads. 6.00 Day by Day including Southsport. 7.30 Emergency. 11.15 Dan August. 12.10 a.m. Southern News Extra. TV—13

TYNE TEES

9.25 a.m. Starting Point. 1.20 p.m. North East News and Lookaround. 3.50 The Mary Tyler Moore Show. 5.15 Emmerdale Farm. 6.00 Northern Life. 7.30 Hawaii Five-O. 11.15 Rock Follies. 11.15 a.m. Epilogue.

ULSTER

1.20 p.m. Lunchtime. 2.00 See You Tuesday. 3.50 Ulster News Headlines. 5.15 Run, Joe, Run. 6.00 Ulster Television News. 6.30 Reports. 7.30 Emergency. 11.15 The Playwright. 11.45 Bedtime.

WESTWARD

12.25 p.m. Gus Honeybun's Birthdays. 1.20 Westward News Headlines. 5.15 Supersonic. 6.00 Westward Diary. 7.00 Sale of the Century. 7.30 The Streets of San Francisco. 11.15 Elaine, the singer of the song. 11.45 Westward Late News. 11.48 Faith for Life.

YORKSHIRE

1.20 p.m. Calendar News. 3.50 Calendar Tuesday. 5.15 Emmerdale Farm. 6.00 Calendar (Emley Moor and Belmont editions). 7.30 Hawaii Five-O. 11.15 Police Story.

RADIO 1 247m

(S) Stereophonic broadcast

6.00 a.m. As Radio 2. 7.00 Noel Edmonds. 9.00 Tony Blackburn. 12.00 Paul Burnett including this week's new Top 30 discs, and 12.30 p.m. Newsbeat. 2.02 *David Hamilton* (S) (also on VHF). 4.30 It's D.L.T. OK! 5.45 Newsbeat. 6.02 John Dunn (S) (joins Radio 2). 11.00 John Peel (S) (also on VHF). 12.00-12.05 a.m.: As Radio 2.

RADIO 2 1,500m and VHF

6.00 a.m. News Summary. 6.02 Colin Berry (S) including 6.15 Pause for Thought. 7.02 Terry Wogan (S) including 8.27 Racing Bulletin, 8.45 Pause for Thought. 9.02-11.30 Pete Murray's Open House (S) including 10.30 Waggoners' Walk. 11.30 Jimmy Young (S). 1.50 p.m. Sports Desk. 1.55 Good Listening (VHF). 2.02 *David Hamilton* (S) as Radio 1, but including on 1500m only (also 200m Scotland) 2.45 and 3.45 Sports Desk. 4.30 Waggoners' Walk. 4.45 Sports Desk. 4.47 John Dunn (S) including 5.45 Sports Desk. 6.45 Sports Desk. 7.02 Hear the Record. 7.30 Robin Richmond: The Organist Entertains (S). 8.02 Satchmo, the Story of Louis Armstrong, part 3. 9.02 Among Your Souvenirs (S). 10.02 Sports Desk. 10.05 BBC Radio Orchestra (S). 11.02 Ruth Cubbin with The Late Show (1500m only, also 200m Scotland, VHF joins Radio 1). 12.00-12.05 a.m. News.

RADIO 3 464m, Stereo & VHF

†Medium Wave only

6.55 Weather. 7.00 News. 7.05 Overture (S). 8.00 News. 8.05 Morning Concert (S). 9.00 News. 9.05 This Week's Composers: Alias and Williamson (S). 9.50 Warner and Strauss concert (S). 11.05 BBC Young Composers' Forum 1976 (S). 12.15 p.m. Midday Prom part 1: Dvorak, Bruch (S). 1.00 News. 1.05 The Arts Worldwide. 1.20 Midday Prom part 2: Beethoven (S). 2.05 French Piano Music (S). 2.35 A Little Light Music (S). 3.20 French Airs de Cour (S). 3.55 Chopin piano recital (S). 4.55 Jazz Today (S). 5.25 Fanfare (S). 5.45 Homeward Bound (S). 6.05 News. 6.10 Homeward Bound (continued). †6.30 Lifelines: Work and Training. 7.30 Anatomist of Melancholy (talk by Hugh Trevor-Roper). 8.00 James Levine and the LSO: Mahler (S). 9.30 Oil Rig (S). 10.45 *Music in our Time* (S). 11.25-11.30 News.

RADIO 3 VHF only—7.00-7.30 a.m. Open University

RADIO 4

434m, 330m, 285m and VHF

6.20 a.m. News. 6.22 Farming Today. 6.40 Prayer for the Day. 6.45 Today. 7.00 News and more of Today including Sports News, Today's Papers, and 7.25 Regional News (VHF). 7.45 Thought for the Day. 8.00 News and more of Today including 8.25 Regional News (VHF). 8.45 Yesterday in Parliament. 9.00 News. 9.05 Tuesday Call. †10.00 News. †10.05 From Our Own Correspondent. 10.30 Daily Service. †10.45 Morning Story. †11.00 News. †11.05 Down Your Way. †11.45 John Fortune. 12.00 News. 12.02 p.m. You and Yours. 12.27 Top of the Form. †12.55 Weather, programme news VHF (except London and SE) Regional News. 1.00 The World at One. 1.30 The Archers. 1.45 Woman's Hour (from 2.00) including 2.00-2.02 News. 2.45 Listen With Mother. 3.00 News. 3.05 Sons and Lovers (S). 4.00 News. 4.05 Gardeners' Question Time. 4.35 Story Time. 5.00 PM Reports. †5.50 Financial Report VHF Regional News. 5.55 Weather: programme news. 6.00 News. 6.15 My Music (S). 6.45 The Archers. 7.00 News. 7.05 The World in Focus. 7.30 The Wood Man: Bernard Jack, craftsman. 8.00 James Levine and the LSO (S) (as Radio 3). 9.30 Kaleidoscope. 9.59 Weather. 10.00 The World Tonight. 10.45 A Book at Bedtime. 11.00 The Financial World Tonight. 11.15 Today in Parliament. 11.30 News.

FOR SCHOOLS (VHF only) 9.10 a.m.-12.00 and 2.00-3.00 a.m.

BBC Radio London

206m and 94.9 VHF

6.00 a.m. As Radio 2. 6.30 Tony Fish with Rush Hour. 9.00 News Extra. 9.20 Richard Vaughan with London Live. 11.03 Jenny Thompson and Diana Rice with In Town. 12.03 p.m. Call In, including 12.45 London News Desk. 2.03 Paul Owens with 206 Showcase. 4.03 Susie Barnes with Home Run. 6.00 Look, Stop, Listen. 7.30 Jenny Thompson and Diana Rice with In Town (as 11.03 a.m.). 8.30 All That Jazz. 10.03 Late Night London. 12.00-Close: As Radio 2.

London Broadcasting

261m and 97.3 VHF

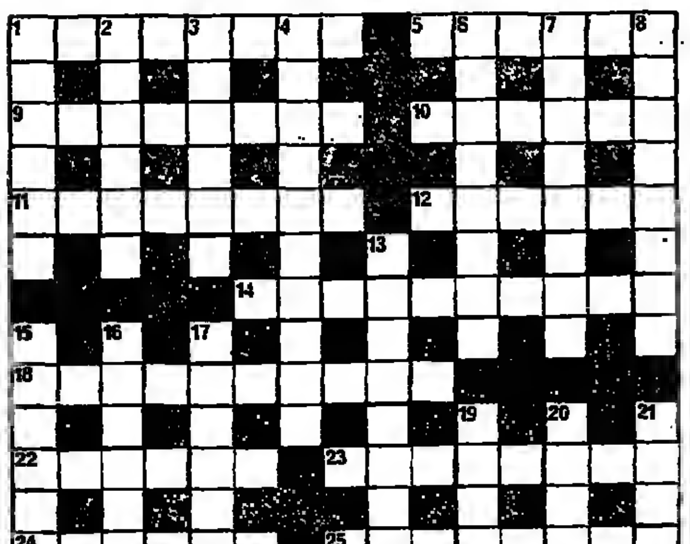
5.00 a.m. Morning Music. 6.00 "A.M."—Breakfast-time Show. 10.00 Brian Hayes. 1.00 p.m. Newswatch. 3.00 Newsbreak. 8.00 Music in Stereo. 9.00 Nightline. 1.00-4.30 a.m. Nightwatch—news every half hour.

Capital Radio

194m and 95.8 VHF

6.00 a.m. Breakfast Show. 9.00 Michael Aspel. 12.00 Cash on Delivery. 3.00 p.m. Roger Scott's Three O'clock Thrill. 7.00 London Today. 7.30 Open Line. 9.00 Nicky Horne. 11.00 Tony Myatt's Late Show. 2.00-6.00 a.m. Night Flight.

F.T. CROSSWORD PUZZLE No. 3,300



ACROSS

1 Fabric that is relevant (8)
5 Resist work and sit (6)
9 Plod along—with a stroke? (8)
10 Record holder takes up arms (6)
11 Leave behind, being away before southern excursion (8)
12 Cold one? No, the reverse! (6)
14 Having less hair and panache? It's rubbish! (10)
18 Feathers dropped and ruined (10)
22 Wait around for underwear that is missing (8)
23 Criterion to tolerate one way (8)
24 Bachelor in court action is concerned with a race (6)
25 Politically faithful but on the level and obscene (4-4)
26 Royal Oriental providing a feast (6)
27 Parking restriction creating a jam (8)

DOWN

1 Measure gold in heavenly body (6)
2 Being honest, try to accept us and their leader (6)
3 Just nothing? Yes! (6)
4 An explosive device in a beast it's said is hateful (10)
6 Fish and chip mixed with lard (8)
7 Excessive burden may create main failure (8)
8 —or affirmative in 8. That makes sense! (8)
13 Feast on river, right for a speculator (10)
15 I join party after a worshipper (8)
16 Singing about Welsh leader being with it . . . (8)
17 . . . but behind everything nevertheless . . . (5, 3)
19 . . . and if not, it could be one French fewer (6)
20 Man on the phone or at the door (8)
21 Stick to a daughter in this place (6)

SOLUTION TO PUZZLE No 3,299

R	A	G	O	U	T	■	S	T	R	E	A	M	E	R
E	■	O	■	R	■	A	■	E	■	A	■	A	■	A
D	R	O	W	N	E	D	■	M	A	S	K	I	N	G
S	■	D	■	S	■	I	■	P	■	Y	■	D	■	U
H	O	C	K	■	S	E	V	E	N	D	I	A	L	S
A	■	H	■	C	■	U	■	R	■	O	■	■	■	A
N	E	E	D	L	E	■	S	E	L	E	C	T	S	■
K	■	E	■	E	■	S	■	D	■	S	■	R	■	E
■	C	R	E	A	T	E	D	■	D	I	C	A	S	T
S	■	■	■	N	■	V	■	C	■	T	■	M	■	O
C	A	S	U	S	B	E	L	L	I	■	S	P	A	N
R	■	H	■	L	■	R	■	O	■	E	■	O	■	C
A	G	I	T	A	T	E	■	T	U	M	B	L	E	R
P	■	F	■	T	■	S	■	H	■	M	■	I	■	O
E	N	T	R	E	A	T	Y	■	C	A	T	N	A	P

ENTERTAINMENT GUIDE

OPERA & BALLET

COLISEUM 01-836 3161
ENGLISH NATIONAL OPERA
Tonight 7.30 IL TROVATORE
Tomor. & Fri. 7.30
THE ROYAL HUNT OF THE SUN
"Spectacular premiere . . . superb theatre." Evening Standard
Thur. & Sat. 7 DER ROSENKAVALIER

COVENT GARDEN. 240 1066. (Gardencharge credit card booking 836 6903.)
THE ROYAL OPERA
Ton't, Fri. & Mon. 7.30: Un ballo in maschera. Tomor. & Sat. 7.30 Der Freischütz.
THE ROYAL BALLET
Thur. 7.30: Enigma Variations, Song of the Earth. BALLET CHANGE ONEGIN cancelled. Replaced by THE TAMING OF THE SHREW. Existing tickets are valid. 65 Ampi seats for all perfs on sale from 10 a.m. on day of perf.

SADLER'S WELLS TH. Rosebery Ave EC1 837 1672. Until February 26.
D'OYLY CARTE
IN GILBERT & SULLIVAN. Evgs. 7.30 Mat. Sat. 2.30. Tonight & Tomor IOLANTHE. Wed., Thu., Fri. & Mon. COX & BOX and THE PIRATES OF PENZANCE

THEATRES

ADELPHI THEATRE. 01-836 7611. Evgs. 7.30. Mats. Thur. 3.0. Sats. 4.0
IRENE
"LONDON'S BEST NIGHT OUT. SPECTACLE, CAPTIVATING TUNES AND RACY COMEDY." People.
IRENE
"SLICK, SUMPTUOUS—THE MUSICAL IRENE HAS EVERYTHING." D. Express
IRENE
INSTANT CONFIRMED CREDIT CARD BOOKINGS ON 01-836 7611

ALBERY. 836 3878. Evenings 8.0. Mat. Th. 3.0. Sats. 5.0 and 8.15 sharp
National Theatre Production
MICHAEL JAYSTON
EQUUS
by PETER SHAFFER
Directed by John Dexter
"STUNNING AND COMPELLING." Std.

ALDWYCH 836 6404. Inf. 836 5332
ROYAL SHAKESPEARE COMPANY
in Repertoire. Today, Tomor. O'Keeffe's WILD OATS
"The Royal Shakespeare Company have struck gold." Sunday Times.
Thur., Fri., Sat.—Arbuzov's OLD WORLD
Evgs. 7.30. Mats. Wed. & Sat. 2.30.

AMBASSADORS 836 1171. Evgs. 8. Tues. 2.45. Sat. 5.30, 8.30. Seats £1.75 to £3.50 or Dinner-Top price seats £6.30.
NIGEL PATRICK PHYLLIS CALVERT
ISABEL DEAN JENNIFER HILARY
in DENIS CANNAN'S
DEAR DADDY
"THE MOST SUBSTANTIAL NEW PLAY IN TOWN." Observer.
PLAY OF THE YEAR
(Society of West End Theatre Award 76)

APOLLO. 01-437 2663. Evenings 8.0. Mat. Thur. 3.0. Sat. 5.0 and 8.30.
JOHN MILLS JILL BENNETT
"Splendid Virtuoso performance." E.N.
MARGARET COURTENAY ROSE HILL
RAYMOND HUNTLEY AMBROSINE
PHILPOTTS and ZENA WALKER
in TERENCE RATTIGAN'S
SEPARATE TABLES
Dir. by MICHAEL BLAKEMORE
"YOU WON'T FIND BETTER ACTING IN THE WEST END." Daily Mirror
"THEATRICAL MAGIC." D. Exp.

ARTS THEATRE. Mon. to Thurs. 8.30. Fridays and Saturdays at 7.00 and 9.15.
TOM STOPPARD'S
DIRTY LINEN
"HILARIOUS . . . see it." Sunday Times

CAMBRIDGE. 01-836 6056. Evgs. 8.00. Mats. Weds. and Sat. at 3.0.
LAST 3 WEEKS OF SEASON
JOHN CURRY THEATRE OF SKATING
"A SUCCESS WELL PERFORMED AND VASTLY ENTERTAINING." Times.
"ENCHANTING AND MOST WELCOME FAMILY ENTERTAINMENT." S. Exp.
100 GOOD SEATS held for sale on doors at all Mon. to Fri. Performances.
Instant Credit Cards. 01-836 7040.

COMEDY. 01-930 2578. Evenings 8.0. Mat. Thur. 3.00. Sat. 5.30 & 8.30.
Winner of all 1975 Awards
BEST PLAY OF YEAR
Hywel BENNETT in Simon GRAY'S
OTHERWISE ENGAGED
Directed by HAROLD PINTER

CRITERION 930 3216. Opens Tonight at 7. Subs. Mon., Tue., Wed. & Fri. 8. Thur. & Sat. 5.30 & 8.30 p.m.
Leonard Rossiter Ollys Laye
Peter Bayliss and John Phillips
RETURN OF THE SMASH HIT
FRONTIERS OF FARCE
FIVE-WEEK SEASON ONLY

DRURY LANE. 01-836 8108. Evenings 8.0 sharp. Matinees Wed. and Sat. 3.0.
A CHORUS LINE
"A RARE, DEVASTATING, JOYOUS, ASTONISHING STUNNER." S. Times.
"VOTED BEST MUSICAL OF 1976."

DUCHESS. 836 8243. Evenings 8.00. Fri., Sat. at 6.15 and 9.00.
OH! CALCUTTA!
"The Nudity is Stunning." D. Telegraph.
7th Sensational Year

DUKE OF YORK'S. 01-836 5122. Evgs. 8.0. Fri. Sat. 6.0 and 8.45.
TERRY SCOTT JUNE WHITFIELD
A BEDFUL OF FOREIGNERS
"GENUINELY HILARIOUS." Gdn.
Seats from £1.50 to £5.00
Also Dinner-Top price seat £6 inc.

THEATRES

ELLE et LUI. 01-437 2661
Walker's Court, Brewer Street, W.1
Twice Nightly 8.15 and 10.15.
PAUL RAYMOND Presents
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CINEMAS ARE CONTIN ON PAGE 43

asle theatre

The Buddenbrooks

t was inevitable that someone, ner or later, would wish to nsfer Thomas Mann's vivid ial chronicle of the "collapse a family," as he himself had -titled his early masterpiece *The Buddenbrooks*, to the ge. Like the rather similar *The rsyte Saga*, Mann's novel, itten at the aga of 26, is vious material for TV-serialisa- n. It has, in fact, been so apted in Germany. But trans- ring it to the theatre, for all Buddenbrooks' palpable atricality, has defeated would-adapators until Hans Holl- nn, manager of the Basle City eatre, Klaus Völker, his erary Manager, and the young sle poet, Tadeus Feifer, hit on most unusual way of doing the . The result is astonishingly cessful.

Hollmann will be remembered, t least by patrons of the World eatre Seasons who saw his *hale und Liebe* at the Aldwych, the *Austrian-born enfant rible* of the German stage, who mot let well alone, or as the illiant visionary who can give classics a new twist depend- on where one's prejudices lie. masterly transposition of rl Kraus's virtually unstage- e epic of *The Last Days of nkind* to the stage, or rather the foyer and staircases, of new City Theatre, two winters ; before a partly itinerant dience, was a bold exploration o the field of audience-actor ations.

For *The Buddenbrooks* Holl- nn has also used the specious ircases and foyers. In them he *is the first* part of the story the rising fortunes and grow- g financial empire of the werful Lübeck *family*, with eir clannishness, their fight for mination over their rivals, and eir relentless ostracism and miliation of the weaker ethren, even among their own nd. For the ensuing decay and e inexorable moral and aterial collapse that overtakes em, he shifts the spectators t of the foyers by having the ayers beckon to them or in me cases quite literally lead em by the hand into the adjoin- g regular auditorium, where ey will witness the ultimate integration of the clan on a ditional 19th-century peep- ow stage. The designer of this iking twofold decor is Wolf- ng Mai.

In Part One half the audience, me 300 strong, are seated on iveling chairs in the lower yer within a raised U-shaped platform-stage ringing them on three sides. On the fourth side the remainder, occupying the topmost broad steps that lead to the upper foyer, can enjoy an Olympian view of the goings-on below. The company perform all around and between tha two parts of the divided audience thus turning them into willing, or at laast consenting, participants in their story. The effect is quite uncanny, especially down below, where, by some calculated stroke of theatrical alchemy, the very act of turning the chairs to keep abreast of the unfolding events *is* integrated into the total social experience to enhance the realism of the surrounding action.

As with the Kraus drama, so here, too, the players act and move in *a stylised* manner. They wear strange make-up but authentic period costumes (designed by Amuschka Meyer-Riehl) until the final sequence. Here the designers have substituted the costumes, cut-outs and back-drops of the 19th-century toy-theatre. This has the paradoxical, though no doubt deliberately intended, affect of turning what might have ended as a sublime tragedy into a *pathetic farce*. All the same tha parallels with an ancient Greek tragedy and the dispersion of a dynastic family are inescapable, the more so as the chosen device of the adaptors of having choral speaking and chanted hexameter lines impresses itself increasingly on the imagination. André Bauar's musical accompaniment for the chorus contributes strongly to the persuasive theatricalism of the production.

The principals turn in any number of first-rate performances. Outstanding are Norbert Schwientek in five wholly disparate roles, most notably as the uncouth Bavarian brewer Permaneder, with whom the unhappily wilful Tony (flamboyant performance by Verena Buss) contracts her disastrously ill-matched marriage; and by *Susanne Tremper, who brings* a movingly tragic dimension (in tha second half of tha play) to *the role of Hanno, the afflicted* teenage son of the mercenary and misguidedly despotic Tom Buddenbrook (Hansjörg Assmann), as the actress observes her stage-father expire in ludi*crous surroundings* and sees her stage-world collapsing literally around her. This was an exhilir*ating experience and a rewarding* one into the bargain.

OSSIA TRILLING

Delhi cinema by PETER COWIE

Sanjeev Kumar in Satyajit Ray's 'The Chess Players'

The International Film Festival of India, which took place last month in New Delhi, must be the only event of its kind to make money. Although the organisers invita directors and personalities from around the world, so keen is the local population to catch a glimpse of foreign cinema that virtually all tickets are sold weeks in advance of every festival. Well over 200 titles were screened during the fortnight, and the top prize in the competition went to Tadashi Imai's *Mon and Ino*, which paints an alarmingly feudal picture of modern Japanese society and its family tensions.

Appropriately, Akira Kurosawa, who rarely strays outside Japan, was there to lend a genial dignity to the proceedings and to explain his plans for filming *King Lear*. Intriguingly (but also logically, given Japanese social patterns), he intends to replace the three daughters with three sons, and to set the drama in medieval times, with a prologue illustrating Lear's earlier life.

Antonioni, who has just had a costly project turned down by the Australians, was in Delhi too, alongside Bo Widerberg *(whose The Man on the Roof* deservedly took a major award), Elia Kazan, Alain Tanner, Carlos Saura, King Hu, and others. Satyajit Ray interrupted his naw picture, *The Chess Players*, to preside as Chairman of the Jury, and showed some of us a sequence of ravishing colour slides from tha production, which stars Sanjeev Kumar and Saeed Jaffrey—Billy Fish in Huston's *The Man Who Would be King*—and is being filmed in Hindustani, the Indian cinema's predominant language.

The Chess Players concerns two noblemen preoccupied with chess, which is also a metaphor for the political manoeuvres of 1856, during the final throes of the Moghul Empire.

Producing 470 features a year, the Indian cinema is at once the largest and in certain ways the most primitive in the world. Superstars like Shashi Kapoor and Vijaya may sign up for as many as eighty films in advance, receive a vast fan mail as well as a vast salary, and are unrivalled by even the biggest of Hollywood names.

Yet while this mass of routine melodramas may appal a Western film buff, there is also buried treasure to be found. The southern state of Karnataka, for instance, finances around 40 films annually, and at least ten of these have artistic aspirations. P. Lankesh's *Pallavi* is an outspoken and provocative study of the female situation in contemporary India, with a young girl student being inveigled into marriaga by her employer. The sense of entrapment in an age-old set of social regulations is starkly communicated. Such films, costing only a few thousand pounds to make, qualify for tax exemption and actually recover their budgets in *Karnataka*.

Another gifted Indian director is Shyam Benegal, whose *Seedling is already known* to English audiences. *The Churning*, Benegal's latest work, stars Cirish *Karnad* as a doctor whose attempts to set up a milk co-operative in an impoverished village are frustrated by superstition and vested interests. Some 500,000 farmers in Cujarat sponsored this excellent film—an act of idealism remarkable by the standards of any national cinema. Now Benegal is preparing to re-create on screen the life story of a celebrated Indian actress of the thirties. He is staging his own song and dance numbers in order to capture the feel of the period, and also perhaps to counterpoint what is after all a recurrent element in his country's cinema. The collision of a talent like Benegal's with the spectacle and verve of the staple Indian musical could well be fascinating.

New York ballet

Merce Cunningham

by DAVID VAUGHAN

Among the biggest successes of the current New York season have been two uncompromisingly avant-garde events that might previously have been considered, in commercial terms, box-office poison: the Robert Wilson/Philip Glass "opera" *Einstein on the Beach*, which sold out two Sunday evenings at the Met, and a week's season by Merce Cunningham and Dance Company, which packed the Minskoff Theatre on Broadway. Cunningham's last uptown engagement was as one of a group of modern dance companies that jointly failed to sell-out the Billy Rose Theatre eight years ago.

Since then, he has created a number of new works that have been seen by New York audiences only as part of the "Events" presented in his spacious studio in the West Village or, last winter, at the off-Broadway Roundabout Theatre. The idea of dancing on Broadway is in itself of no interest to Cunningham, but he wanted to show these pieces as they have seen seen out of town *(as* well *as* in Australia and Japan), with their own décors and scores.

Clearly, the New York audience was ready for a Cunningham season, particularly after his brilliant recent programme in tha *Dance in America* television series, which, without condescension, made the work immediately accessible through ita un-gimmicky presentation of superb choreography and dancing, and Cunningham's own direct and unpretentious commentary.

The opening night programme included the première of a new dance, *Travalogue*, which reunited Cunningham with his most famous collaborators, John Cage, who continues to be the company's musical advisor, and Robert Rauschenberg, who ceased to be the resident designer at the end of the world tour in 1964. In characteristic Cunningham style, the component parts were not assembled until the last moment; the result is one of the most ravishing spectacles to be seen in a New York theatre for years.

Cage's accompaniment consists of recorded bird-calls and telephone messages (weather reports, Dial-a-Joke, Dial-a-Prayer, etc.). The main feature of Rauschenberg's décor is a row of wooden chairs mounted on white platforms and separated by bicycle wheels; at the beginning this is dragged on stage at the end of a white rope, with the dancers sealed on the chairs. Later, two enormous collage banners descend from the flies. As the dance goes on, various garments and accessories are added to the basic costumes of brightly coloured leotards and tights: a male dancer performs a variation with a lot of tin cans down the side of each leg, a woman dances languorously in a loose chiffon blouse and matching leggings, then exits, leaving behind a scarf. Cunningham, faun-like, curls up on the floor with it. His choreography matches the sonic and decorative elements in wit and beauty: fragments of social dances, Balanchinean tangles, a high-stepping cake-walk strut, steps of elevation that are astonishing in their novelty and brilliance.

This programme also included a revival of an earlier Cunningham-Rauschenberg collaboration, the familiar *Summerspace*, as well as Cunningham's recent *Solo*, in which he once again demonstrates his extraordinary affinity with the animal kingdom, and *Rebus*, a complex work in which he redefines his relationship with the young dancers who now make up his company, appearing as a mysterious, controlling presence who sets the choreographic puzzles and equations that they must solve.

The second programme was equally strong: in addition to the austerely abstract *Torse*, *Signals* (seen in London in 1972), and the alternately playful and tender *Squaregame*, it contained the hit of the season in *Sounddance*, to music by David Behrman and with décor by the young British painter Mark Lancaster, who has designed most of Cunningham's recent pieces.

Sounddance—the title is from *Finnegans Wake*—is one of his "dark" works, though less overtly dramatic than *Place*, say. The dramatic tension is created entirely by the movement and by David Tudor's ear-splitting accompaniment. The dancers enter singly, bursting through a gap in the tent-like setting and joining the fast and furious activity on stage, until they leave as they came, one by one. Cunningham is the first to appear and the last to exit, and the piece could be read as a metaphor for the history of his company, in which there has been an increasingly rapid turnover in recent years, and by extension for the brief, hazardous career of a dancer.

The current company is technically very strong, with two authentic male virtuosos in Chris Komar and Robert Kovich; Meg Harper, now the senior member, has developed a quiet authority as well as a true comedian's sense of timing. Among the newer dancers, Karole Armitage looks like a potential star.

Cunningham has described his method of collaboration as "a kind of friendly anarchy" and one is continually struck by the courtesy of his manner towards audiences (particularly in the TV programme) and his dancers: even when he sets himself apart, they are never relegated to a mere background for a star turn. This courtesy is a quality his dancers acquire as they learn what his work is about—one saw it especially in Julie Roess-Smith — and it lends his pieces the aspect of civilised dscourse for which, together with their clarity and rigour, makes them inescapably classic in tone.

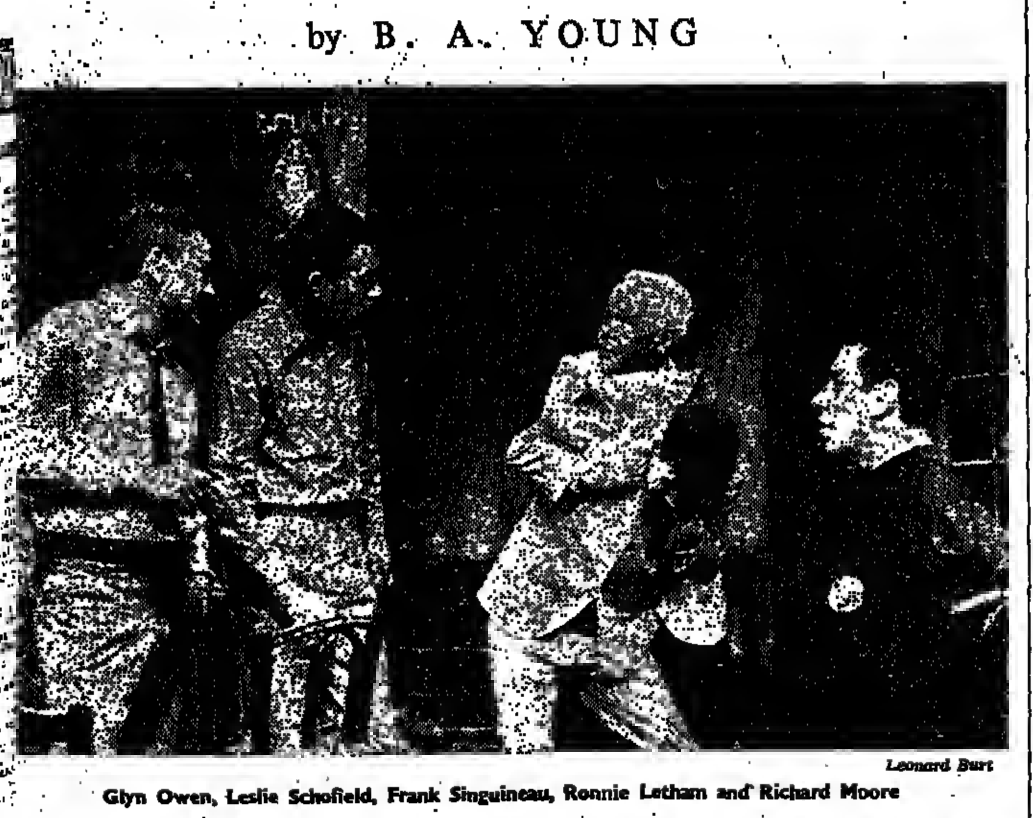
Record Tate attendance

A total of 1,202,013 people visited the Tate Gallery in 1976—more than in any previous year in its history.

ampstead

The Last Meeting of the Knights of the White Magnolia

by B. A. YOUNG



Leonard Burt

Glyn Owen, Leslie Schofield, Frank Singuineau, Ronnie Letham and Richard Moore

o one could deny that this edy by Preston Jones is y a miniature; but it's a iature of high quality.

he Knights of the White gnolia are a spin-off from the Klux Klan. Founded in 1902 a man who believed that it unnecessary to dress up in hite bed-sheet to kick a coon, 1962 (the date of the play) has diminished to a single ge in a little Texas town. It therefore a matter of some ortance when the Imperial nd Wizard, L. D. Alexander, manager of the supermarket, ounces that the evening's ceedings will not be confined, they generally are, to playing ninoes, but that a new nber is to be initiated.

he initiation and its attendant plications occupy the whole the evening. There are no surprises, no sudden changes oyalty; there is no more than crupulously observed picture eight silly, ignorant men pre- ding to an imaginary im- lance which oozes away ough their lack of character il at the end of the meeting e has been no initiation and re is no member of the ghts of the White Magnolia er.

r. Jones's dialogue is written broad Texan, and one of the t remarkable features of the ning is tha degree to which speech has been acquired by predominantly British com- y. No coach is named in the gramme, so presumably the lit must go to Michael Rud- , the director. Whether the ent is totally correct or not I 't know; it is certainly totally vincing.

he applicant for initiation ayed by Ronnie Letham) is a ple boy who genuinely eves there is soma excite- nt in store for him. He is not n put off by the initiation emony, in which the brethren stand around the room wearing red fez-like *chapeaux de rituel* and pronounce various rubrics in character as the Sun, the Moon, the West Wind, Wisdom and the Golden Fountain of Truth. What ultimately drives Lonnie Roy away is the behaviour of Colonel Kinkaid (a beautifully senile performance by Ramsay Williams) who believes that he is back in tha trenches in 1918 and then suffers a heart-attack from the strain.

The Colonel has already caused one crisis by revealing that he has given the sacred book of the founder's writings to the black porter of the establishment (Frank Singuineau) to look aftar; the effect that this has on the meeting could not have been more appalling if he hed confessed to going to bed with the porter's wife.

But by then it is clear that the initiation is not going well. Rufe and Olin (Leslie Schofield and Thick Wilson) exchange trivial bad temper all evening; Skip Hampton (Richard Moore), a phony hero of Korea, cares for nothing but the "ree-freshments" (whisky, that is) which will end the ceremony; Milo Crawford (Michael J. Jackson) is anxious to get home to his mother; Red Crover (Glyn Owen) growls badtemperdly at everyone until his feelings master him enough to warrant punching Skip in the guts. Only the Wizard (Ian Hogg) tries to keep the proceedings in some kind of order. At the end, when all the members have left him, he is infinitely pathetic as, in his ritual hat and *scarlet* robe, he *scuffs* up the ceremonial rugs with his feat, his grandeur collapsed around him like the ball of the Gibichungs.

It is of coursa possible to look *for* wider *analogies* in the play beyond the simple collapse of a foolish provincial club. Those who relish *social* criticism *will* find it here all right. But leaving that aside, we have a very funny comedy, full *of* telling detail, beautifully acted and produced.

English Music Theatre plans

The English Music Theatre Company will present two new productions and two revivals during spring and summer this year. A *new* production of Purcell's *Fairy Queen* will be mounted in celebration of the Queen's Silver Jubilee and open on Jubilee Day itself, Juna 7 (it will be directed by Colin Graham and conducted by Steuart Bedford—the production has been made possible by a generous grant from the London Celebrations Committee). The second new production is Mozart's *The Magic Flute* (also directed by Colin Graham, designed by Christopher Morley with Steuart Bedford and David Parry conducting).

The two revivals are the successful 1976 production of Rossini's *Cinderella* and of the 1974 English Opera Group's *Albert Herring* by Britten.

Provided that the Arts Council giva the necessary funds, autumn plans will include the premiere *of a specially commissioned work* by John Dankworth and Benny Green, *All About Alice*, based on the life and works of Lewis Carroll; a revival of last year's production of Brecht/Weill's *The Threepenny Opera* and a workshop production of Conrad Susa's *Transformations*, a recent American work based on an adaptation of Grimm's Fairy Tales by Anna Sexton. The company has also been invited to appear at the Flanders Festival in September this year. **D.P.**

Festival Hall

Elgar by PAUL GRIFFITHS

It could not have happened when Elgar was revered for the most part as the composer of Empire, of pomp and circumstance. Then it would have been impossible for a Barenboim to have recorded most of the important orchestral works, or for a Solti to have conducted an all-Elgar prgramme, even, or perhaps least of all, on the 25th anniversary of Her Majesty the Queen's accession. Now, however, Elgar's personal and particular qualities as an expressive artist are more widely recognised: Now he can be regarded as more the contemporary of Mahler than of King Edward VII.

The two works chosen by Sir Georg for Sunday's concert, the Violin Concerto and the Second Symphony, could not have been bettered as representatives of Elgar the private individual. Nor could these performances hava been surpassed in demonstrating the intensity of Elgar's thought, his striving, his passion and his underlying insecurity. That insecurity expresses itself in his own recordings, and was captured again here still more startingly, through a willingness to take risky tempos in the quicker movements, with *risky* changes of tempo as well. Occasionally Sir Georg failed quite to bring off the odd burst of fire and speed, as happened in the finale to the concerto; but most of his mercurial flights sounded trua to the music.

Sir Georg had othar techniques for slicing through to the core of Elgar's musical nature, including a way of handling the orchestra often as separate sections. In the concerto's slow movement, for example, string phrases were answered by the winds as if from elsewhere, and in the opening movement of the symphony there were slurps from the brass which seemed to be going in the opposite direction to that taken by the desperately heroic strings. The dangers here were of imbalance and shaky ensemble, and sometimes they threatened. With the aid of consistently good playing from the London Philharmonic Orchestra, however, Sir Georg made Elgar's orchestration come alive.

The main fault with this presentation was that Elgar's larger formal construction was to a great extent ignored, so that the symphony was so fully characterised as to become almost a suite of character pieces. That something similar did not occur in the Violin Concerto was in large measure due to the presence of Kyung-Wha Chung, whose solo line was always rich in expressive detail yet always held in check by the cool hand of superb technique. Elgar can, as this performance showed, retain his grandeur when he has lost his grandiosity.

'Double first' at the Albert Hall

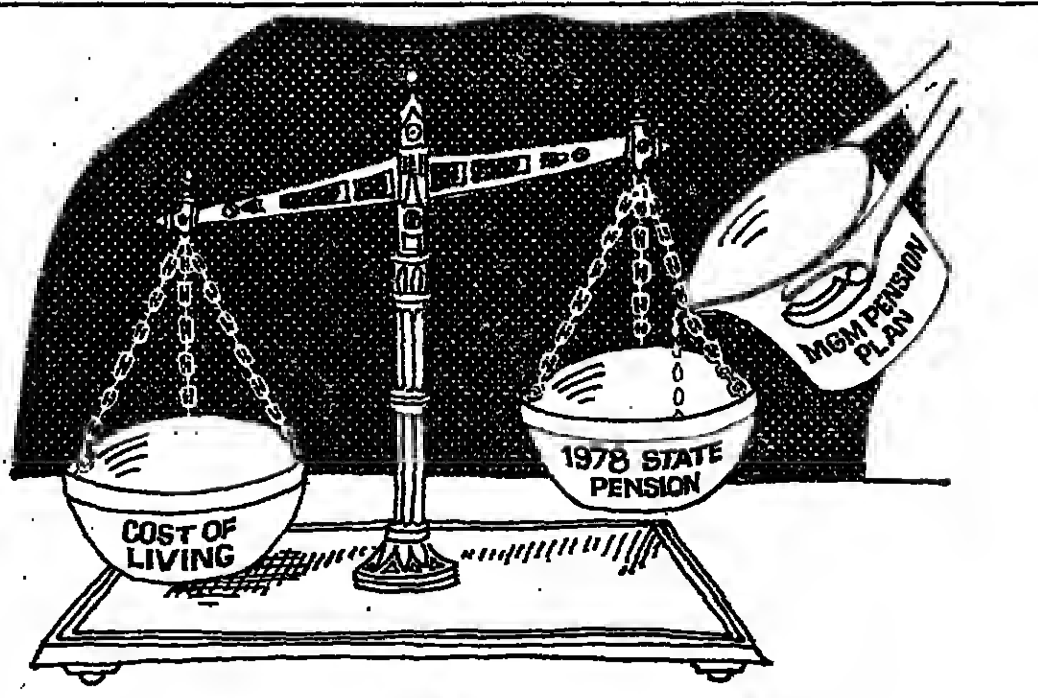
The Academy and Chorus of St. Martin in the Fields, conducted by Neville Marriner will give an all Mozart concert in the Albert Hall on Thursday, February 17. The main work will be the *Requiem* with soloists Jennifer Smith, Helen Watts, Philip Langridge and Stafford Dean.

The event is marked by a "double first" — it will be the first appearance in London of the Academy Chorus and also the first performance in England of Mozart's *Requiem* in the new edition by *Franz Beyer*.

Hutch without Starsky

David Soul—Hutch of the *Starsky and Hutch* TV series—is to appear in a series of 12 U.K. concerts next month during an aight-day visit. He will also make a *Top of the Pops* appearance for BBC TV on March 17.

His itinerary includes performances at Glasgow, Manchester, Bristol, Birmingham and London. In the case of the four London shows the organisers are complying with a speciel GLC request that all ticket holders aged under 16 must be accompanied by an adult.



THE HELSINKI AGREEMENT

Russians make two more arrests

BY DAVID SATTER

MOSCOW, Feb. 7.

APPARENTLY MOVING to put an end to Helsinki accords monitoring groups, the Soviet authorities have arrested Mr. Mikola Rudenko, the chairman of the Ukranian monitoring group, in Kiev, and a second member of the group in Donetsk, dissident sources said to-night.

The arrests took place on Saturday, slightly more than a day after Mr. Alexander Ginzburg, a member of the national Helsinki monitoring group, was arrested. The moves were accompanied by a number of searches directed against Ukranian Helsinki group members.

Mr. Rudenko and his wife, Raika, were seized outside their apartment, and taken to their home, which was also searched. After being stripped, the couple were searched. Mr. Alexander Berdnik, another member of the group who came to the Rudenko apartment while this was going on was subjected to the same treatment. Documents of the Ukranian Helsinki group were confiscated and afterwards, Mr. Rudenko and his wife were taken to the Public Prosecutor's office for interrogation. Mrs. Rudenko was eventually released but Mr. Rudenko, a Ukranian poet and war invalid who is in poor health, was placed under arrest.

Also arrested was Olexy Tikhy, a teacher, in Donetsk. The charges against the two men were not immediately known but the search of the Rudenko apartment and at least one of the four other searches reported to have taken place in Kiev over the week-end were authorised in connection with the discovery of an old rifle in the home of Mr. Tikhy, during a search in December. Mr. Tikhy has maintained that the weapon was planted.

In Moscow, meanwhile, more than 200 members of dissident religious and human rights groups in the Soviet Union signed an appeal calling for the release of Mr. Ginzburg, who is being held in a KGB security prison in Kaluga, a city 110 miles south-west of Moscow. The appeal said that Mr. Ginzburg is still suffering from pneumonia with a tubercular infection and that imprisonment could endanger his life.

An uneasy atmosphere prevailed in Moscow as dissidents waited for Mr. Ginzburg to be charged and for further arrests. Mr. Valentin Turchin, a prominent dissident, said that at least ten public telephones had been destroyed in the last day or so in the area of south-west Moscow where many dissidents live. Police surveillance has been noticeable. According to one dissident, the police "are shadowing our every step."

U.S. 'concern' over Ginzburg

BY JUREK MARTIN, U.S. EDITOR

WASHINGTON, Feb. 7.

THE U.S. Government to-day expressed "profound concern" about the "especially harsh" Soviet dissident Alexander Ginzburg. At the same time, the Senate Department brusquely dismissed as "absolutely groundless" a statement issued by the Soviet embassy here protesting against the week-end expulsion of a TASS agency correspondent based in Washington.

The embassy said that there was no comparison to be made between the cases of the TASS journalist and the U.S. correspondent who was ordered to leave the Soviet Union, because the Russian had done nothing illegal whereas Mr. George Krimsky of the Associated Press had broken Soviet foreign currency regulations.

But the State Department bluntly repeated what it had said on Saturday—that the TASS correspondent was being expelled in retaliation for what had happened to Mr. Krimsky. It is known that Mr. Krimsky, who is fluent in Russian, had established contacts inside the dissident movement in the USSR. Other foreign journalists in Moscow have reported being harassed because of these contacts.

The statement on Mr. Ginzburg had been promised last week when he was first detained. Noting that the U.S. had made the Soviet Government "aware of our feelings" the statement went on "wherever it may occur, the harassment of individuals who are pursuing the principles set forth in the Universal Declaration of Human Rights, or who are working for the implementation of the final act of the Helsinki Conference, is a matter of profound concern for all Americans."

This is the third demonstration of U.S. concern in the last two weeks. On this occasion, it was clear that the statement on Ginzburg had been approved by Mr. Cyrus Vance, the Secretary of State. A previous pronouncement expressing support for Dr. Andrei Sakharov had received the imprimature of neither Mr. Vance nor President Carter.

Mr. Vance is due to visit Moscow at the end of next month to work towards a second Strategic Arms Limitation (SALT) to work towards a second agreement. The U.S. remains committed to reaching this goal, but is clearly prepared to run a war of words with the USSR in the meanwhile. Mr. Vance made it clear in a recent interview that he had abandoned Dr. Henry Kissinger's old concept of "linkage," whereby progress in one field might be connected with concessions in another. Mr. Vance stated that there were a number of important subjects at stake between the U.S. and the Soviet Union, and "each should be discussed on its own footing."

David Satter adds from Moscow: A group of leading Soviet dissidents to-day paid tribute to Mr. Krimsky, saying that his expulsion was "one of those actions which drains the spirit of the Helsinki declaration. The real reason for a long-prepared expulsion of George Krimsky is his highly developed sense of professional responsibility and duty, and his deep interest in humanitarian and social aspects of life," said the dissidents, who included members of the Helsinki monitoring group.

Mr. Krimsky, a reporter of dissident affairs, was accused by Soviet authorities of violating currency regulations by giving hard currency coupons to his maid as part of her salary. The practice by foreigners of paying part of Soviet employees' salaries in hard currency coupons is widespread in Moscow.

Belgrade criticises Prague

BY PAUL LENDVAI

VIENNA, Feb. 7.

THE YUGOSLAV Communist Party newspaper Borba to-day for the first time publicly accused the Czechoslovak leadership of violating the spirit of the document adopted at the East Berlin international Communist conference last year, and of labelling all roads to Communism other than the Soviet one as being "anti-Communist."

The Yugoslav paper was reacting to an article in the Prague official newspaper Rude Pravo which asserted that real socialism could be based only on the Soviet model. It was unacceptable, said Borba, that the Czechs should condemn everyone who stresses the independence and equality of each Communist party, and who refuses to bow to one model, as being "enemies of socialism."

Though not referring directly to the persecution of human rights campaigners, the Yugoslav attack reflects growing apprehension in Belgrade about recent developments in Czechoslovakia.

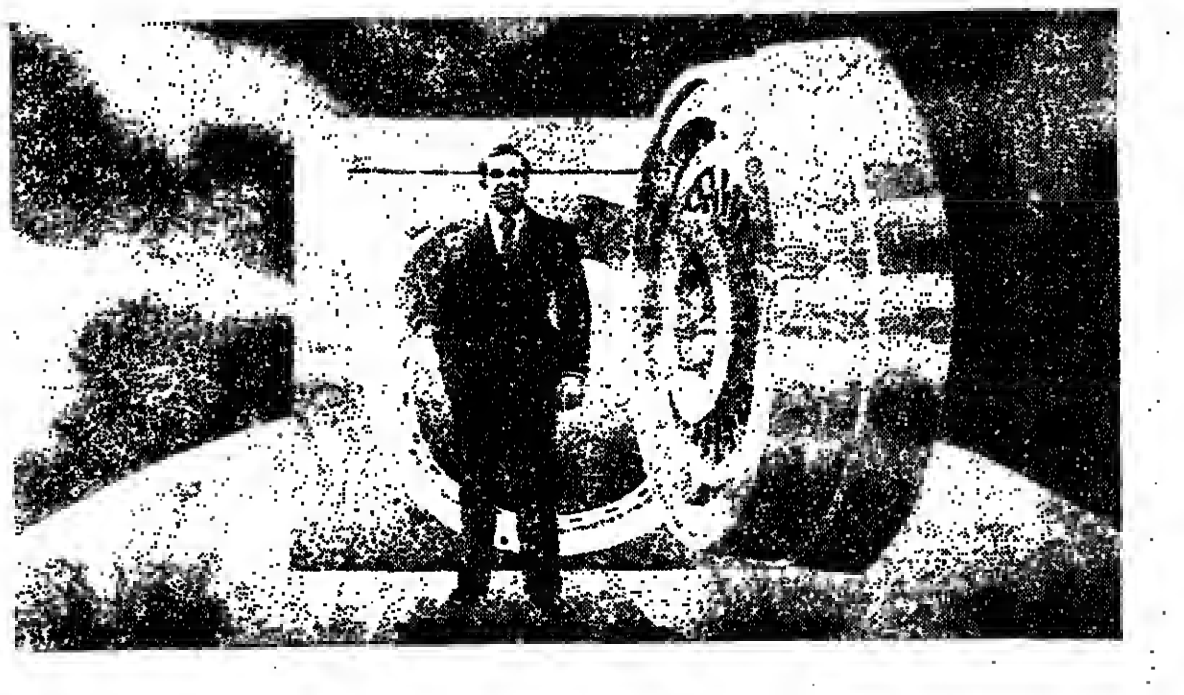
In contrast to that of all other East European Communist countries, the Yugoslav Press has been covering in depth the events in Prague, and also the condemnation of the repressive actions by major Western Communist parties. Recalling the East Berlin conference Borba reminded the Prague régime that the Berlin document was a new challenge, naturally engendering debates and giving rise to different views about unsolved problems. Ignoring the new relations between the Communist parties as laid down in the Berlin document could only lead to a return of the old dogmatic methods and concepts, the paper warned.

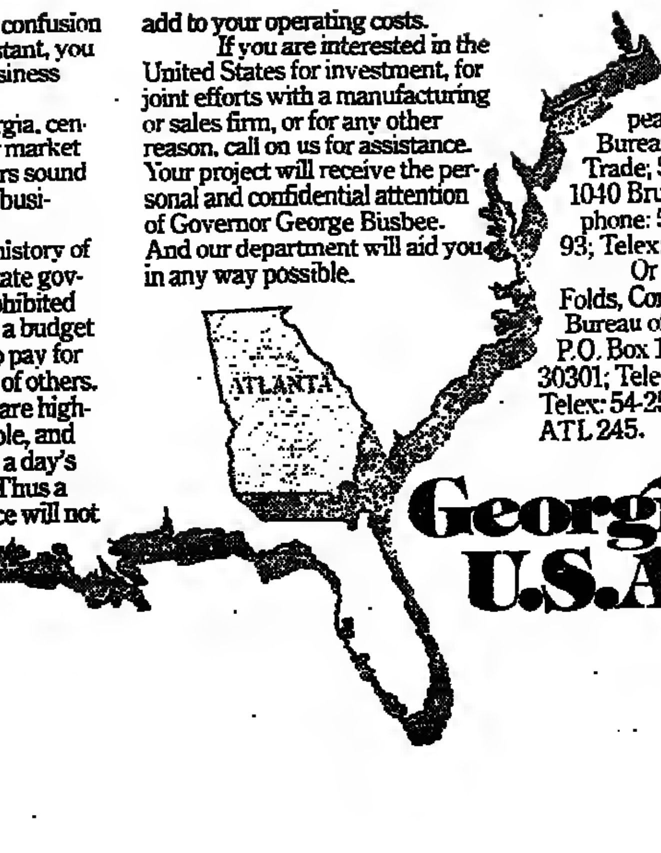
Meanwhile, other leading Yugoslav papers, the daily Politika and the weekly Nin, levelled sharp attacks at the authors of a new edition of the History of the Soviet Communist Party, accusing them of deliberately lying about Yugoslavia and past Soviet-Yugoslav relations. The book, edited by a committee headed by Soviet Central Committee Secretary Boris Ponomarev, implicitly blamed the Yugoslav side for the conflict with Stalin, and contained "half-truths that are far along the road to untruths."

The recent series of critical articles indicates a deterioration of Yugoslav-Soviet relations and a deepening mistrust of Soviet intentions by the Yugoslav leadership.

Meanwhile, apart from an attack in Saturday's Rude Pravo against the "handful of bankrupt people," the Prague authorities have not yet reacted to the statement made by Prof. Jan Patocka that the number of signatories of Charter 77 Manifesto has increased from 257 to 465.

● Apparently in anticipation of the Belgrade conference on the follow-up to the Helsinki accords on European security and co-operation, the Romanian Government has informed Dr. Bruno Kreisky, the Austrian Chancellor, about the settlement of 66 humanitarian cases involving the reunification of 58 families, four marriage permits and ten exit permits for visits to Austria. In all, 142 persons will be allowed to leave Romania permanently or temporarily for Austria.





Wave of political violence in Italy

By Paul Betts

ROME, Feb. 7.

WHILE the wave of political terrorism in Italy continued to-day with an incendiary bomb attack in the historic centre of Venice, both Right- and Left-wing political parties have expressed concern that extremists were now attempting to revive a climate of political violence in the country similar to the "strategy of tension" of the late 'sixties.

Police attributed to-day's attack in Venice against the Catholic youth centre "Comunione e Liberazione" to Left-wing extremists.

This present wave of violence—coinciding with the controversial trial in Catanzaro arising from the Milan bomb attacks of 1969—started in Rome on Saturday night with five separate bombings all attributed to Left-wing extremists. They caused heavy damage to a police station and to the interior ministry's car park. Last night Right-wing extremists were reported to have attempted to dynamite a Communist Party branch office in Milan.

These terrorist acts also follow a week of tension at Rome University following riots after a neo-fascist group shot and wounded a student. In retaliation, Left-wing extremists attacked the Rome headquarters of the Right-wing group "Fronte Della Gioventu." Two policemen and one student were shot and seriously injured.

While students are continuing their siege of Rome University, which has been heavily cordoned off by police since last week's riots—the Pope at his weekly "balcony" address in St. Peters hit out yesterday against what he called a series of crimes that "shamed our civilisation."

Meanwhile, in a hard-hitting front-page editorial, the Communist Party newspaper l'Unita to-day condemned these latest acts of political violence whose object, the paper said, was to precipitate a crisis at a time when Italy faced grave social, political and economic problems. The Communist Party has also condemned the activities of Left-wing extremist groups.

"Once again," l'Unita writes, "autonomous groups using the same strategy as the fascists have threatened both the student and workers' movements. Like the fascists, they are motivated with the same desire to disrupt the country by terrorist and guerilla tactics."

The Nine may extend fishing deadline for Soviet trawlers

BY ROBIN REEVES

BRUSSELS, Feb. 7.

FOREIGN MINISTERS of the Nine meeting here to-morrow seem likely to grant the Soviet Government a few days' grace to apply for fishing licences allowing Russian trawlers to operate inside the EEC's new 200-mile limits.

Although the deadline for applications set by the Community last month expires at midnight to-night the signs are that EEC Foreign Ministers at the Common Market Council will wish to avoid an immediate confrontation.

Officials here note that the Russians have moved a long way by offering last week to negotiate a fisheries' agreement. They believe that Ministers will not want to destroy the opportunity for agreeing an orderly arrangement by immediate policing action against the large number of Soviet trawlers still in EEC waters.

East Germany and Poland have already applied through the Foreign Office for licences which will limit the fishing effort by Soviet bloc countries from the start of next week until March 31.

Russia has been offered a maximum of 27 named vessels, with no more than 17 fishing at one time. About 60 Soviet vessels are believed to be in the EEC zone.

An important reason for a deadline extension is that the Community's reply to the original Soviet note was sent to the Soviet Embassy in London by Mr. Anthony Crosland, the Foreign Secretary, in his capacity as EEC President in Office, only this afternoon.

It had to await agreement among permanent Brussels representatives of the Nine and the European Commission on the make-up of the negotiating team which will meet Soviet representatives if they accept the offer to discuss a long-term arrangement in Brussels.

Strictly speaking, the Commission conducts external negotiations. But because of the Soviet refusal to recognise the Community diplomatically, a formula has been found which avoids forcing this issue while meeting EEC legal and political susceptibilities.

Details were not immediately available, but the formula evidently involves binding a Community team round the British, wearing their Presidency hat.

To-morrow's Council is due to make a last-ditch effort to agree on EEC measures to conserve fish stocks in the 200-mile limit zone.

Dr. David Owen, Minister of State at the Foreign Office, has declared that the Government regards this meeting as the last opportunity for a Community-agreed solution.

Otherwise Britain will feel forced to adopt conservation measures unilaterally in the U.K. sector.

● Denmark is expected to complain formally about the special subsidy to British pig producers, already the subject of Brussels Commission legal proceedings.

More cracks apparent in French left-wing alliance

BY DAVID CURRY

PARIS, Feb. 7.

THE UNEASY alliance between Socialists and Communists in France, already under strain because of the difficulty in agreeing upon joint candidates in the larger cities for the local government elections in March, is showing more cracks following remarks by President Giscard d'Estaing that he would finish his seven-year term of office (until 1981) irrespective of results of the general election due in 15 months' time.

M. Giscard's tacit assumption of the role of defender of the country's institutions provoked M. Gaston Defferre, the ebullient and undiplomatic Mayor of Marseilles, to reply that the Left would co-operate provided the President agreed to the implementation of its agreed programme, with M. Francois Mitterand, the Socialist leader, as Prime Minister.

The Communist Party immediately complained that the Socialists were already planning the form of the Government which they hoped would take office in April 1978, and obviously planned to squeeze the Communists into minor portfolios. They protested against the automatic assumption that M. Mitterand would be Prime Minister.

M. Defferre's remarks hit all the deeper because he is not the most fraternal member of the brotherhood of the Left—in Marseilles he is insisting that Socialists and Communists fight the local elections separately.

Forming joint lists for these elections is becoming a major problem for the Left. The Communist leader, M. Georges Marchais, says more than 50 towns of more than 30,000 people are without agreed lists because of the Socialists' "excessive demands."

EEC heads plan Portugal strategy

By Guy de Jonquieres

BRUSSELS, Feb. 7.

AN ATTEMPT to agree on commoo position to be put Portugal's Prime Minister, D Mario Soares, when he tou European capitals over t next six weeks, will be ma by Foreign Ministers of t Nine when they meet he to-morrow. Dr. Soares' fi stop will be London, where is due to arrive on February for a two-day official visit.

Dr. Soares' visit is desig mainly to sound out E Governments on strengthen links between Portugal and Community but, though he known to be interested eventual membership of EEC, it is hoped that he w not press the issue at t stage.

Both Brussels and oth European capitals consid Portugal's economy too ba ward for integration into t EEC as a full member several years. But there general agreement that would be unwise to reject Soares' overtures outright that at least a gesture political solidarity must made towards Portugal's e bryonic democracy. This mi mean including Portugal in t political co-operation meeti of EEC Ministers, while ho ing out the prospect of f EEC membership as a lang term goal.

Major Press shake-up

By Diana Smith

LISBON, Feb. 7

SR. MANUEL ALEGRE, Por gal's Secretary of State Mass Communications, s last night that publication the Lisbon daily O Seculo, of three magazines publis by the O Seculo company, be suspended for 90 days.

This was one of a series drastic measures announced the Minister to deal with task of economic viability Portugal's nationalised med

An Oporto morning pa and a Lisbon evening pa will be returned to priv hands, while State-owned p lishing firms will reorganised to put an end what Sr. Alegre described "excessive staff, indiscipl lack of interest, low ductivity and rising costs."

Declaring that "the party over, the moment of truth come," the Minister said ra television, a national ne agency, eight major dailies a large number of weekly p lications were placing a he drain on the Treasury.

These dailies and weekl became State property March 1975, but in the last months the dailies have l about £22m.

EEC study on consumer rights

By Philip Rawstorne

LUXEMBOURG, Feb. 7.

THE EUROPEAN Commission intends to give a new impetus to its consumer protection protection programme, Mr. Richard Burke, the Commissioner responsible for consumer affairs, told the European Parliament to-day.

Following demands from Mr. William Molloy, a member of the British Labour delegation, and other MPs for greater safeguards, Mr. Burke said that draft directives on consumer credit and misleading advertising would be sent to the Council of Ministers this year.

New Swedish N-waste process

BY DAVID FISHLOCK, SCIENCE EDITOR

THE SWEDISH electrical group ASEA claims to have found promising new ways for solidifying highly radio-active nuclear waste from the reprocessing of spent nuclear fuel for its "ultimate" disposal underground or on the seabed.

The company's high-pressure research laboratory at Robertsfors, in northern Sweden, has been using its powerful presses—of the kind used to make artificial diamond—to compact the waste into rock-like solid.

This could avoid the use of the very high temperatures required by the glass-making processes under development in Britain and elsewhere, for no-one would relish the prospect of a spill of radio-active molten glass if something went wrong.

According to ASEA—which has a major nuclear fuel interest through ASEA-Atom—work on three high-pressure processes, started last year, have begun to show promise. All produce sintered slugs of waste with the immutability of the most stable minerals.

One process takes waste separated by calcination during the reprocessing cycle, mixes it with ceramic materials, and squeezes it into a dense s Ingots made in this way c be stored safely in deep b holes, the company suggests

Another process takes highly radio-active liquor maining at the end of eprocessing cycle—of the being stored in sealed vessels at Windscale—and tr it by an ion-exchange pro

The third approach b explored at Robertsfors is use of the high-pressure p to crush untreated spent nuc fuel elements into com ingots.

BATTLE OVER WAGE INDEXATION

Dutch unionists begin pay strike

BY MICHAEL VAN OS

AMSTERDAM, Feb.

A BATTLE by Dutch unionists to maintain full and automatic indexation of their wages to price rises finally boiled over yesterday into a major wave of phased strikes.

Indexation was introduced in Holland at the start of the decade but employers, faced with diminished profit margins in a period of recession, want to scrap the automatic increments, although they are still prepared to offer some compensation. Because of their stand, negotiations at the end of last year for the 1977 national wage agreement broke down as did subsequent attempts for pacts at sector and company level.

As well as the retention of full indexation, the unions want to see an increase in real pay this year, having borne a wage freeze for the past two.

In return for what the unionists regard as relatively moderate pay demands, they want a number of concessions: guarantees that greater profits will be translated into more jobs, greater Government control over regional industrial development and pollution, increased worker participation in company policy and a share in the growth of company equity for employees.

ELECTION

Some of these far-reaching reforms have been adopted by the socialist-dominated coalition Cabinet but the Government has not yet intervened directly in the indexation dispute.

The unions' pay demands are in line with the Government's anti-inflation policy and, with the expiry of its wage freeze legislation, it does not at the moment have the power to push through new measures.

In addition, the General Election next May is clearly at the back of its mind. Socialist Ministers in the Centre-left coalition are anxious to avoid upsetting the unions with fresh restraints on collective bargaining.

But the indexation issue is Holland's most serious labour dispute since a wave of strikes in 1973 and it seems certain that the Government will not allow the current stoppages to go on for very long.

The unions, having been denied free bargaining for two years, are anxious to avoid Government involvement and are hoping to break the employers' common front quickly. Already a few companies threatened by strikes have capitulated, contrary to the guidelines for the dispute laid down by the employers' federations.

Cabinet Ministers held separate fact-finding talks on the issue last Wednesday with employer representatives and trade union chiefs. But these failed to produce a basis for compromise. In fact, the rift has probably widened. The employers said afterwards that the Government had confirmed their fears for the 1977 economic outlook, with lower investment, exports and higher average unemployment forecast than for 1976. They again refused to commit themselves to automatic wage indexation. "We cannot any longer commit ourselves to handing out a blank cheque in this very difficult economic period," a spokesman for the employers said.

The employers have suggested that the Government itself should take over the indexation commitment but this has been rejected by the unions, who argue that any spare Government funds should be used to stimulate investment and fight unemployment.

Last week a number of dairy companies took their unions to court over the planned strike and a district judge in Utrecht ordered a 20-day cooling off period for the industry. Although the judge admitted that wage indexation was an acquired right and could be struck for, he felt the unions had decided too quickly to opt for industrial action, particularly since they and the employers are fairly close together in monetary terms. The employers' organisation for the Dutch ports is debating whether to take similar court action against strikers.

Rank-and-file unions support support for strike action appears to be fairly strong and the workers received a fillip earlier this month when the congress of the Labour Party, which has the majority of Ministers in the Government, came out unanimously in support of the stoppages.

There has also been substantial support from white collar and civil servant unions. The unions believe that the employers are not compromising because of their aversion to the concessions demanded in return for wage constraint, such as greater worker participation in industry.

The unions militancy is partly attributable to their suspicion that, although the Cabinet is in agreement on two of the three draft Bills for these concessions, the employers are putting considerable pressure on the non-socialist parties in Parliamen delay the legislation until May's elections. At the s time, union leaders feel that time has now come to mo step further towards a major in business.

Mr. Wim Kok, president of main central union organisa the FNV, said recently that possibility was worrying the ployers infinitely more having to pay automatic compensation this year. the employers are no longe a position to buy off our ref demands as they have sucessfully in the past," added.

The unions' unusual milit is also attributable to Government's decision to cut planned growth of public ex diture by 1 per cent. annu until 1980.

The most likely compro solution to the indexation dis is for the Government to the substantial excess fund amassed last year for social rity payments as a basis fo compromise between the un and the employers. But w this may satisfy the rank file workers, it will not re the militancy of their lea for the reforms which the porate chiefs dislike so mu

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Airlines to challenge Concorde ban

Y JAY PALMER

NEW YORK, Feb. 7.

ISH AIRWAYS and Air ce have now definitely de- to try to challenge in the courts the New York and Jersey Port Authority's ban oncorde flights into John F. edy International Airport. understood that both air- asked their Governments the week-end for permis- to-proceed with court hear- on this issue. The hearings scheduled for February 18. favourable decision from British and French Governments is expected to-morrow. However, a public announcement that the airline will proceed with the court case could easily be delayed in order to give the Port Authority, which operates JFK Airport, less time to prepare opposition.

At the same time, British Airways executives in New York to-day confirmed that they expect to sign on Thursday a complicated deal with Braniff Airways that would enable the U.S. airline to "borrow" British Airways' Concordes to provide a service at less than the speed of sound between Washington, DC, and Dallas-Fort Worth, Texas.

This deal—if it goes ahead—would make Braniff the first U.S. airline to crew and operate Concordes. Under the expected agreement, which would be subject to the approval of the U.S. Civil Aeronautics Board, Braniff would lease the planes for use in between BA-scheduled London-Washington flights.

The decision by British Airways and Air France to proceed with the New York legal challenge follows the Port Authority's move last week to put off for yet another month any decision of whether to permit Concordes into JFK.

Originally an announcement had been expected on this issue on Thursday. However, the commissioners of the Port Authority last week sent letters to the two European airlines stating that they would not consider the issue before the planned March 10 meeting.

U.S. vetoes rms sale y Israel

Hugh O'Shaughnessy

decision of the U.S. State rtment to veto the sale to dor of the Israeli jet fighter) not long after Ecuador ordered a number of Anglo- ch Jaguar fighters must in be due to the desire of the U.S. Administration to se what is becoming an asingly tense situation g the republics of the ic coast of South America. ith tension on the Chile- border and the purchase arge quantities of arms by two countries, a big new t. to Ecuador's... offensive bility could make the situa- touchy. Ecuador has a ting border dispute, with and might be tempted to advantage of increased ions between Peru and e.

PI adds: Israeli Ambassador cha Dinitz said after meeting etary of State Cyrus Vance that he has no reason to t that the U.S. will deliver previously promised arms. Dinitz refused to comment reports that the new U.S. ainistration has decided to t Israel $300m. more in aid the Ford Administration had ised.

Daniel writes from Jerusa- The implications of the pse of the $180m. deal for firs go far beyond the im- late contract.

addition to the deals ortance to the development Israel's aircraft industry and e country's balance of pay- ts, Ecuador was expected to other military equipment e in Israel, such as the rir air-to-air missile.

srael needs U.S. permission fir deals because the Israeli- gned and built jets have es and some other parts here under licence from U.S.

Andrus favours limits on oil companies' investment

BY DAVID BELL

WASHINGTON, Feb. 7.

THE NEW U.S. Secretary of the Interior said yesterday that he favours new legislation that would prohibit oil companies from investing in the development of rival energy sources such as nuclear power, coal or solar energy.

Mr. Cecil Andrus thus became the first senior member of the new administration to support the "horizontal divestiture" principle under which major oil companies would have to divest themselves of their non-oil interests. He did not say whether he favoured applying this to existing projects or only to future ones, but during his election campaign Mr. Jimmy Carter, the President, said divestiture might be necessary to increase competition in the industry.

Mr. Andrus' remarks are regarded here as the first shot in what promises to be a very long battle over the future course of the nation's energy policy. The President has promised to unveil the administration's proposals by April 20, but some observers fear that the overriding need for fuel conservation is already in danger of being submerged by arguments about the size of the oil companies and the merits of competition.

However cautiously, Mr. Andrus appeared yesterday to be lending significant support to the divestiture principle and he will find a number of influential Senators on Capitol Hill who share his view. He pointed to the danger of having "large energy companies" involved in the development and marketing of competing energy sources, adding that the oil companies should not have the power to "control the pricing of all types of energy."

Mr. Andrus said that, like others in the administration, he was sceptical about existing figures for oil and gas reserves.

He also disclosed that the Interior Department has already begun a preliminary investigation of charges that producers of natural gas have been sitting on new supplies in order to force up prices before they release them onto the Inter-State pipeline system.

At present the gas sent across State lines is kept at a relatively low price by Federal regulation, whereas gas produced and consumed in the same State is often sold at higher, free market prices. There have been charges in Congress that the current gas shortage has been "engineered" to force the Government to deregulate prices.

However, in an interview to-day with an American news magazine, Dr. James Schlesinger, Mr. Carter's chief energy adviser, said he doubted that companies were deliberately withholding gas

Industrial gas supplies restored

BY OUR OWN CORRESPONDENT WASHINGTON, Feb. 7.

SUPPLIES of natural gas were restored over the week-end to many plants in Indiana, New Jersey and New York which had been shut down for the previous 10 days as a result of the abnormally cold weather which is still affecting the Eastern half of the United States.

Almost all the 2,500 factories closed down in Indiana are now receiving some 80 per cent. of their normal gas supplies as pipeline companies begin to benefit from the emergency gas legislation signed into law by President Carter last week. This temporarily de-regulated the price of gas and has encouraged producers to feed gas normally reserved for use within states to the interstate pipelines.

But Ohio, which has been hardest hit of all, remains in a serious situation and the Governor asked the President to declare it a major disaster area as the temperature in many parts of the state fell to a new record low. However, it has not been snowing in the state and this has come as a welcome relief.

There are no reliable estimates of the number of people still out of work because of the crisis, but most sources suggest that it is over 1m. If the weather does not take another turn for the worse and the gas continues to flow, the figure is expected to drop noticeably in the next few days.

Steel union leadership battle

By Jurek Martin

WASHINGTON, Feb. 7.

THE UNITED STEEL Workers' Union's 1.4m. members will vote to-morrow to choose a new President in succession to Mr. I. W. Abel, who is retiring.

This election is considered to have ramifications for the future of the U.S. labour movement far beyond the particular concerns of the USW. In essence it pits the old conservative guard against the new liberal forces.

The establishment candidate is Mr. Lloyd McBride, a career union official and the personal choice of Mr. Abel (who has been President for the past 11 years) and of Mr. George Meany, the octogenarian head of the AFL-CIO, the U.S. equivalent of the British Trades Union Congress.

The newcomer is Mr. Ed Sadlowski. Though standing in sharp contrast to Mr. McBride's conformity and dourness, Mr. Sadlowski is no union parvenu, but head of the powerful Chicago-Gary local unions, the biggest single unit inside the USW. Mr. McBride is 60, Mr. Sadlowski 38.

If anything Mr. McBride is the favourite.

The Sadlowski campaign has received considerable non-union support (from the likes of John Kenneth Galbraith, the economist, and Joseph Rauh, the well known liberal Democrat lawyer) and has attracted a fair amount of attention from the media. The two contestants have engaged in face-to-face televised debates that have been marked by much acrimony.

The USW is by no means the only union where liberals are challenging the old guard. The 1m.-plus strong International Association of Machinists will almost certainly choose as its new president in the spring Mr. William Winpisinger, whose commitment to progressive domestic policies and whose publicly expressed profound mistrust of management seems much more in the British tradition of the post-war years than in the American tradition.

Mr. Winpisinger and Mr. Sadlowski see themselves as representatives of the progressive Left wing, whose voice in the evolution of national policies in recent years has been, in effect, little more than a whisper. Mr. Winpisinger, for example, is an unrepentant foe of any form of worker participation in management, while Mr. Sadlowski, in his campaign, has injected arguments of working-class consciousness that are relatively foreign to the American union scene.

Both men are known to have little to do with the hard line foreign policy pronouncements that have emanated from Mr. Meany and Mr. Abel. Both seem more concerned with internal affairs, and both would probably demand protection for American labour against the competition of imports to a degree over and beyond what the union movement has pressed for to date.

Admiral nominated to head CIA

From Our Own Correspondent

WASHINGTON, Feb. 7.

MR. JIMMY CARTER, the U.S. President, to-day nominated Admiral Stansfield Turner, currently Commander-in-Chief of Nato's southern forces, to be the new Director of the Central Intelligence Agency.

A graduate of Annapolis (the American Dartmouth) he spent a year in Oxford as a Rhodes scholar after graduating first in his class at the Naval Academy. He left Annapolis in 1946, the year before Mr. Carter, and the two men knew each other slightly at that time. Since then, among other things, he has commanded the U.S. Second Fleet and served as president of the Naval War College.

In the course of his career Admiral Turner has not given many clues about his thinking on the variety of issues that will confront him at the CIA if his nomination is approved. But an article about Soviet naval strength written by him in the current issue of Foreign Affairs provides some indications of his thinking.

It may be significant that he manages to come down almost in the middle of the debate (which is currently consuming so much time and energy in Washington) about relative Soviet and U.S. military strength. It may well have been this "measured" approach which appealed to the President.

Admiral Turner notes that "with dogged determination" the Soviet Union has been building up its navy, but that much of this buildup may have been because it felt it had to react "to its perception of a threat from our once overwhelmingly armed superiority at sea." Yet, he continues, "a purely quantitative comparison fails to tell us what we want to know" as the Soviet Navy goes on expanding.

Analysts, he says, would do well to resist the compulsion to ask always "who's ahead" in the arms race. "Focus on trends rather than statistics will make the dialogue on the naval balance more substantial and productive."

THE U.S. WITHDRAWAL FROM KOREA

Making haste slowly

BY DOUGLAS RAMSEY, RECENTLY IN SEOUL

AMERICAN ground troops in South Korea will be shipped home; so much is clear from statements on and off the record by high U.S. Administration officials ever since President Jimmy Carter was inaugurated on January 20. But the timing of the pullback, and the extent to which it will affect the overall American commitment to South Korea are, surprisingly, not matters of great urgency "It is not a high-priority, immediate item" on the Administration's agenda, according to senior diplomats in Seoul. While that may be underplaying the story a bit, an American reluctance to take quick decisions may explain why no high-level discussions have yet been arranged between Washington and Seoul.

Even Vice-President Walter Mondale, in his talks with the Japanese Prime Minister, Mr. Takeo Fukuda, in Tokyo last week, dwelt only briefly on the subject. Foreign Ministry officials in Tokyo say the discussion barely constituted a prelude to the promised consultations which Mr. Mondale stressed would take place before any timetable for withdrawing the troops was announced.

Mr. Fukuda, for his part, welcomed consultations, but took the line that the presence of American troops in Korea is a matter between Washington and Seoul. His position was in part dictated by a sticky political situation at home now that the opposition parties—though still in a minority—hold several key posts in the Diet. Mr. Fukuda also faces an upper house election on July 3 where the ruling party could lose its simple majority should the Prime Minister so much as touch on the possibility of Japan increasing its defence commitment in the Pacific.

In Seoul, senior Government officials are waiting for Mr. Richard Holbrooke, the new assistant Secretary of State for East Asian Affairs, to start talks. But early fears that Mr. Mondale's talks in Tokyo were in some way a rebuke to the Seoul regime have already given way to the hope that Washington does not want to paint itself into a corner by hastily deciding on troop withdrawals.

Viewed from the two Asian capitals, President Carter will have to pick his way through several strategic gambles and legal tangles before a formal decision is made to withdraw U.S. ground forces. Standing armies in north and south are roughly 600,000 each. The U.S. army contribution is about 32,700, approximately half of this attached to the second infantry division; the others, along with about 8,000 air force staff attached to the air defence command, a missile command, and the 314th air division. Will "ground troops" be defined as the second division alone (little more than a third of America's 41,000-strong presence), or all army personnel.

Withdrawal of American ground troops could challenge the legality of the UN command. The matter cannot be dismissed easily because a U.S. general signed the armistice with North Korea, and international lawyers do not agree whether it would be binding where, for example, the UN command transferred to a South Korean general—even though South Korean forces at the time of the armistice were part of the UN command (without being UN members).

American officials no longer deny that there are nuclear warheads on South Korean territory, and it is clear from North Korean statements that they are as worried about the nuclear presence as about the ground forces in the south. President Carter will have to weigh the deterrent value of his nuclear arms before deciding to pull them out—possibly as a stop-gap until a thorough review of the Korean situation is completed. Launch capability could be left on the ground but the U.S. cannot count on the Philippines—and certainly not Japan—to accept the presence of nuclear hardware on their territory.

The wider dilemma facing the new American Administration concerns what Japanese officials call "stability in the region"—meaning how long U.S. troops will stay in the Pacific Basin.

Until now, Japan has not been called upon to help defend the area: as a result, even in a year when Korean security has become an issue, Tokyo plans to spend less on defence (as a percentage of GNP) than the 0.9 per cent. it did last year. Yet in his talks with Mr. Fukuda, Mr. Mondale said this week that a troop reduction will occur only in close consultation and co-operation with Japan and South Korea.

Co-operation from Seoul must obviously take the form of its taking on a greater share of its own defence costs, and the Koreans are already doing much in that direction. From this year, the U.S. will stop arms deliveries made under military grants — obliging Korea to seek credit for all future weapons purchases.

But how does Tokyo co-operate? Mr. Fukuda clearly wants to wash his hands of the affair. In private, he says Japan is not interested in selling arms overseas, although its industries are tempted. But the only other contribution Japan might make would be to spend more on its own defence and rearmament. The link should not be lost on Mr. Carter.

NEW YORK, Feb. 7.

AN AGREEMENT is expected this month on rescheduling a significant portion of the debts which North Korea defaulted on in 1975, Chase Manhattan's Chase World Information unit has said.

The unit, in its East-west Markets publications, said that the Australia and New Zealand Banking Group is heading a syndicate of North Korean noteholders that is near agreement with North Korea. The syndicate has holdings totalling about Sw.Frs.650m.

The offer to the syndicate from North Korea includes payment of all interest arrears up to December 31, 1976, East-west Markets said. AP-DJ

OVERSEAS NEWS

Saudis and UAE stand by their low oil price rises

BY RAY DAFTER, ENERGY CORRESPONDENT

SAUDI ARABIA and the United Arab Emirates (UAE) were standing by their decision to hold their crude oil price rises to less than 5 per cent. The two oil producers, which have gone against the price increases of the rest of the Organisation of Petroleum-Exporting Countries (OPEC), have rejected a formula to end the world oil pricing conflict.

The Qatar Oil Minister, Sheikh Abdul Aziz al Thani, had suggested that Saudi Arabia and the UAE should bring their prices more in line with those of the 11 OPEC members which opted for a 10 per cent. price rise on January 1. In return, the 11 countries would drop their plans for a further 5 per cent. rise in July.

According to the Kuwaiti newspaper, Al Qatan, Saudi Arabia replied with a counter proposal that all states should adopt a unified price, about 7 per cent. above last year's level. In this way, the two-tier pricing system would be abolished. Saudi Arabia has continued to insist that a bigger increase could harm the world economic situation.

Dr. Mana al Oteiba, the UAE Oil Minister, who has supported Saudi Arabia in its policy of price restraint, told a delegation of Japanese businessmen in Abu Dhabi that the UAE's "balanced and moderate" oil policy was based on its feeling of "responsibility to the rest of the world." He has forecast that the two-tier system could not last for a long time — a sentiment shared by oil companies and consumers.

In recent weeks Qatar has fed a series of intra OPEC discussions on prices. Throughout the talks, however, it seems that Saudi Arabia has been keen to emphasise its important position and the need for price restraint.

The two-tier pricing situation is almost certain to be raised at the OPEC Economic Commission meeting to be held in Vienna, probably on Monday next. Dr. Muhammad Nusair, assistant under-secretary for economic affairs at Kuwait's Oil Ministry, said that the agenda of the Commission's meeting would include studies on the rate of inflation "exported" from industrialised countries.

Meanwhile, Sheikh Zaid Bin Sultan al Nahayan, president of the UAE, has ordered that oil production in the Emirates should not be increased. Saudi Arabia has already ordered a big increase in output (Shell is to receive some of the extra oil produced). Several other major exporters reported a large drop in demand in January.

● Surplus 1976 revenues of OPEC members are expected to amount to $38bn., some $5bn. higher than previously forecast, according to the Middle East Economic Survey. The extra revenue results from the oil-stocking carried out by crude importers towards the end of the year. However, the surplus could slip to $32bn. this year, and less than $20bn. in 1980, as a result of lower demand for OPEC crude and the increasing availability of Alaskan and North Sea oil. The figures are based on a study carried out by Morgan Guaranty Trust.

CRUDE OIL—OFFICIAL SALES PRICES
($ per barrel)

Country	Grade	December 1976	January 1977	Increase %
Abu Dhabi	Zakum 40°	11.825	12.41*	4.9
	Murban 39°	11.918	12.50*	4.9
	Umm Shaif 37°	11.695	12.28*	5.0
Saudi Arabia	Light 34°	11.510	12.09	5.0
	Medium 31°	11.280	11.69	3.6
	Heavy 27°	11.040	11.37	3.0
Iran	Light 34°	11.620	12.81	10.2
	Med./heavy 31°	11.330	12.49	10.2
Iraq	Basrah 35°	11.480	12.67	10.4
	Kirkuk 35°	11.700	12.89	10.2
Kuwait	— 31°	11.230	12.37	10.2
Qatar	Dukhan 40°	11.848	13.19	11.3
	Marine 36°	11.662	13.00	11.5
Algeria	Saharan 44°	13.100	14.30	9.2
	Zarzaitine 42°	13.050	14.25	9.2
Libya	Brega 40	12.620	13.92	10.3
	Sarir 36°	12.100	13.34	10.2
Nigeria	Light 34°	13.160	14.22	8.0
Indonesia	Minas 35°	12.800	13.55	5.9
Venezuela	Oficina 35°	12.800	13.99	9.3
	Tia Juana 24°	11.450	12.39	8.2

* Provisional

Source: Petroleum Economist

Gandhi releases old adversary

BY DAVID HOUSEGO

NEW DELHI, Feb. 7.

IN AN unexpected gesture, the Indian Government to-day released from jail Mr. Raj Narain whose election petition against Prime Minister Indira Gandhi for corrupt practices resulted in her conviction by the Allahabad High Court in June, 1975.

The Opposition Janata Party yesterday adopted Mr. Narain as its candidate for Rae Bareli—the constituency in which he opposed Mrs. Gandhi in 1971. It had been thought he would remain in prison, where he has been for the past *19 months*, throughout the election. Mr. Narain was brought to Delhi to-night.

Taking advantage of the popular wave of support demonstrated at yesterday's Opposition rally in Delhi, Mr. Jagjivan Ram to-day launched into a personal attack on Mrs. Gandhi's son, Sanjay. He said it was intolerable that someone outside *the* Cabinet should announce Government decisions on taxation and economic policy merely because he was the Prime Minister's son.

Sanjay has become a focal point of Opposition allegations of arbitrary rule by Mrs. Gandhi. Opinion has swung so sharply against her that senior officials in touch with the provinces have *begun to* concede in private that she could lose the election.

This possibility still appears remote but it is indicative of the change in mood. Mr. Ram's deputy in the New Congress for Democracy, Mr. N. H. Bahuguna to-day spoke of a "total upsurge" in the country since Mr. Ram's resignation. Mr. Bahuguna criticised the Government news agency, Samachar, for failing to give equal coverage to Opposition events. However the Statesman and the Indian Express—the two papers which have given most prominence to Opposition news — have recorded large increases in circulation. The Delhi edition of the Statesman has gone up 7,000 in the last three days—equal to a quarter of present circulation.

Feature article Page 14

WORLD TRADE NEWS

British newsprint users win fight for price cuts

BY MAX WILKINSON, INDUSTRIAL STAFF

BRITISH NEWSPAPERS appear to have won their fight to achieve a reduction in the price of imported newsprint.

Following the lead of British International Paper, the largest Canadian supplier, all the Scandinavian producers agreed yesterday afternoon to drop their prices by £13 a tonne.

This substantial reduction follows an unprecedented show of solidarity by British newsprint users, who even threatened to boycott imported supplies unless the price was reduced.

Many observers expected that the users would eventually have to give way and accept the higher price of £248 per tonne of 48.8 gramme quality, because two-thirds of their supply comes from overseas.

However, the Newsprint Users Association calculated that some of the suppliers might break ranks in the hope of picking up extra business for their underworked mills.

This strategy paid off when BIP agreed to lower its price of 48.8 gramme newsprint to £235 a tonne last week. The users had complained vigorously that the recent rise in the value of the pound made the original price announced for January 1 unrealistically high.

Now it is understood that all the remaining producers will reduce their prices as well. It is expected that by the end of the week they will all have announced prices of £235 a *tonne*.

The two British producers, Reed and Bowater, which are at present quoting just below the imported price, will almost certainly have to drop their prices to match. The lower price level will be an embarrassment to U.K. suppliers, because they depend heavily on imported pulp. This means that their margins are already under pressure.

Of the 1.2m. tonnes used each year in the U.K., 950,000 tonnes are imported. About 550,000 tonnes come from Scandinavia and 400,000 tonnes from Canada.

Mr. Jarl Kohler, managing director of Lamco (U.K.) the Finnish producer, said yesterday that Scandinavian manufacturers had agreed to lower prices because of the rise in the value of the pound.

The new price of £235 would give them the same in Swedish Kroner as they would have received at the end of last year from the price of £248. They had previously hoped to keep to the original price in spite of the rise in the pound to recoup losses which they made when the pound fell last year. However, they had now agreed to follow the lead of BIP.

Weir Group wins £50m. Dubai desalination order

BY OUR OWN CORRESPONDENT GLASGOW, Feb. 7

THE WEIR GROUP of Glasgow has secured a £50m. order for a desalination plant, part of an aluminium smelter and power station complex being built in Dubai by British Smelter Constructions.

The order, signified by a letter of intent, is Weir's *biggest yet for desalination plant*, following on two previous Middle East contracts worth £30m. for Qatar and £40m. for Jeddah, Saudi Arabia.

Weir's desalination subsidiary, Weir Westgarth, which employs 250 design, contracting and commissioning staff, is now negotiating with mainly U.K. companies for *the plant's main* components.

Weir Westgarth said yesterday that it expects orders amounting to about £30m. will be placed in the U.K., the first worth £3.5m. going to Weir's pumps subsidiary.

The installation comprises six units operating on waste heat steam from the adjacent gas turbine power station, and using Weir's multi-stage flash distillation process.

Each unit will produce 19,000 cubic metres of fresh water per day, with the capacity to raise this output to 23,500 cubic metres using an alternative high temperature dosing system.

The complex is being built near the Gulf port of Jebel Ali for the Dubai Aluminium Company. Valued at a total of well over £200m., it is being largely financed by a consortium of British banks.

Weir Westgath are now negotiating a number of other major desalination plants in the Middle East, including one in Qatar for two plants worth £30m. forming the third stage of the Ras Abu Fontas desalination complex.

W. German concern at Soviet bloc debt growt

By Adrian Dicks

BONN, Feb. 7

INTEREST PAYMENTS western credits now account 15-20 per cent. of the for currency earnings of socialist bloc countries, w Poland spending as much as per cent. of its export earn in this way, the Soviet Un 20 per cent. and Hungary 15 cent., the president of the W German Chamber of Trade Industry, Herr Otto-Wolff Amerongen, claimed to-day.

He told the American Cham of Commerce in Munich that present extent of east Europ indebtedness to the West not as disquieting as the ra rate at which it was increas In order to retain the confide of lenders in the West, he s the socialist countries w have to be prepared to re more about the uses to wh loans were to be put.

Herr Wolff strongly defen the need for West Germany cultivate and fight for markets, and to be ready meet the socialist states' grow demand for new forms of operation agreement because of debt problems the need for internal econ consolidation in much of eas Europe, he predicted that W German exports to the re would grow much more sl during the next five years.

Paul Lendval reports Vienna: Romania again rep one of the highest growth in the Communist world, industrial output up 11.5 cent. last year on 1975. Anno ing this to-day, the Ce Planning Office added foreign trade expanded by per cent. and achieved a sur Exports were up by 14.9 cent. but the import bill creased only by 14.1 per ce

However, the annual plan report did not reveal de about the breakdown of im and the size of deficit in exchanges with the West.

The communique claimed over-all farm output in was up by 17 per cent cereal output by 4.5m tonn 19.7m. tonnes. These figures however, distorted due to results in 1975. Industrial ductivity is claimed to risen by 8.8 per cent. No about per capita real wage issued. Nominal average and salaries are reported to increased by 8.3 per cent. year, while prices went up by 0.9 per cent.

Philippines to buy Norway ships

BY FAY GJESTER OSLO, Feb. 7.

THE PHILIPPINES are to order four to six dry-cargo ships worth around Kr.670m. (£73.4m.) from Norwegian yards, as well as Norwegian-made ship equipment worth some Kr.50m., under an agreement signed in Manila on Saturday by Norwegian and Philippine Government representatives.

This deal, and the announcement last week of a Kr.236m. order from Nigeria for six large fishing vessels, has been described by Mr. Bjartmar Gjerde, the Industry Minister, as welcome contributions towards filling the near-empty order books of Norway's shipbuilding industry.

The Minister stressed, however, that additional orders, worth considerably larger sums will be needed soon, if lay-offs in the shipyards are to be avoided. The Government is expected to table a Bill on Friday providing for special assistance to the industry.

The agreement now concluded with the Philippines is primarily concerned with financing, 90 per cent. of which will be provided by *Eksportfinans (the Norwegian* commercial banks' financing and export credit institute), under Norwegian State guarantees. The remaining 10 per cent. will be arranged by Den Norske Creditbank, Norway's largest commercial bank.

Agreement is expected by mid-April on the exact number of ships to be built in Norway, their specifications, and how the work will be shared between the six yards which have been involved in the negotiations.

These include three yards belonging to the Aker group, plus *yards in Tonsberg, Kristiansand* and Sandefjord.

NIGERIAN ORDER FOR HOVERMARI

Hovermarine Transport won a £2m. contract for supply of hovercraft and re technical, advisory and ma ment service to Federal Go ment of Nigeria, which w use them to supplement transit in Lagos.

The Federal Ministry Transport expects to ma tensive use of the waterways in the Lagos ar develop a marine mass t system, using hovercraf complement the road ne which is overloaded due unprecedented growth vehicles throughout the cou

Guatemala pipeline

Basic Resources Internat and Shenandoah Oil said group of international bank a French construction con have agreed to finance build a $30m. crude oil pip in Guatemala, AP-DJ re from New York. The 12 pipeline system will link R santo, the first commercial discovery in Central Americ the east coast of Guatemala 12-inch system, designed handle up to 50,000 barre oil a day, is expected to shipping 15,000 barrels a day from Rubelsanto in 14 months.

S. African gold plea rebuffed

By John Stewart

CAPE TOWN, Feb. 7.

REPRESENTATIONS by the gold producers' committee of the South African Chamber of Mines to the South African Reserve Bank for back payment, in consideration of gold retentions by the central bank at a time when the free market price of gold was in excess of the official price (from 1972 until the present), have been rejected by the South African Government, the Minister of Finance, Senator Owen Horwood, announced in Parliament here to-day.

An amendment to the articles of the IMF, permitting central banks to buy gold on international markets at market-related prices, would become effective in the second half of the year, Mr. Horwood explained, and this would mean that gold stocks would be revalued at market prices, implying considerable stock profits in the books of the central bank.

In terms of the Reserve Bank's existing gold marketing and valuation regulations, gold is bought from producers at the official price of $42 per fine ounce, and is then sold back to producers at the price obtained by the Bank on the free market.

The Chamber of Mines has frequently asked that a portion of the central bank's expected stock profits (after revaluation of holdings) be paid to producers.

Killers of Rhodesia missionaries hunted

BY OUR OWN CORRESPONDENT SALISBURY, Feb. 7.

RHODESIAN security forces were to-day carrying out a *massive manhunt for the killers* of the Missionaries at St. Paul's mission at Musami, 35 miles north-east of Salisbury.

In a separate incident in the Matopos National Park, 20 miles from Bulawayo, two Indians were killed and two wounded yesterday by a lone "terrorist" who was himself shot by a parks warden, according to a military headquarters communique.

The St. Paul's killings took place shortly after 10 p.m. on Sunday when a group of 12 men, described by a police spokesman as terrorists from the Zimbabwe African National Union, entered the mission. After rounding up eight missionaries, three of the men opened fire on them using rifles and a machine gun. The surviving missionary, Father Dunstan Myerscough (65) from Preston, England, this morning told journalists visiting the mission what happened next. "As soon as I saw firing from the middle gun, I wheeled round instinctively and fell down. When the bursts of firing were over, I heard the terrorists running. I looked at the others and realised there was nothing I could do."

The Archbishop of Salisbury, the Most Reverend Patrick Chakaipa, condemned what he called this "evil act. Just as the Catholic bishops have repeatedly condemned all violent action that has taken place against the innocent, in the course of the *struggle now being waged in* this country."

The Rev. Max Chigwida, a senior official of the African National Council led by Bishop Abel Muzorewa, speaking on his own behalf, described the killings as "senseless. I was shocked when I heard it."

Reuter adds from Maputo: A Rhodesian nationalist organisation, the Patriotic Front, to-day accused the Rhodesian Army of killing nuns and missionaries last night near Salisbury. A Front broadcast said: "The Smith regime has every reason to eliminate the church leaders. They stay among the people. They see every day the atrocities that the fascists carry out on the struggling masses."

Jurek Martin adds from Washington: Mr. Ivor Richard, the British Ambassador to the United Nations, and Mr. Cyrus Vance, the U.S. Secretary of State, conferred here to-day about Rhodesia. British sources said that the purpose of the meeting was for Mr. Richard to give Mr. Vance a first-hand account of his diplomatic efforts in Africa on his recent visits.

There was no immediate suggestion that any new Rhodesian initiative was in the offing. However, last week British sources had said that Britain might have some "new ideas" to present to the U.S. government.

Allon sees no UN peace role

TEL AVIV, Feb. 7.

ISRAEL has no intention of giving the UN any role in peace negotiations in the Middle East, Israeli Foreign Minister Yigal Allon said to-day.

Speaking here before leaving for Brussels to sign an agreement with the European Common Market, Mr. Allon said that the Israelis would receive Mr. Waldheim "with all the honour due to his position" when he arrived in Israel in three days time, as part of his Middle East tour during which he is making soundings on steps to reconvene the Geneva peace conference.

"But I cannot see how the UN can operate in making peace in the Middle East," he said "when the General Assembly adopts recommendations which are in direct contradiction to Security Council resolutions 242 and 338 (which form the basis for the Geneva conference)."

Mr. Allon explained that "U.S Secretary of State, Cyrus Vance is a co-chairman of the Geneva peace conference, and Israel considers the U.S. as the only mediator in the Middle East conflict." He added, however, that the Israelis would "be happy to hear what Dr. Waldheim has to say, and we shall tell him what we think."

He said also that he had summoned the U.S. charge d'affaires in Israel yesterday to discuss with him the situation in southern Lebanon. Israel wanted Mr. Vance to know before his arrival here next week how seriously Israel regards the presence of Syrian troops on the outskirts of Nabatiyeh, only a few miles from the Israeli border.

Michael Tingay adds from Beirut: Dr. Waldheim met Lebanese leaders to-day to consider the co-ordination of efforts toward post-war reconstruction in Lebanon.

In November last year the UN set up a $50m. reconstruction fund for Lebanon, and at an earlier stage during the civil war a separate programme of relief for people displaced as a result of the hostilities was established.

Lebanese leaders have been disappointed because the rehabilitation and reconstruction money has not been received as quickly as had been hoped.

Dutch Volvo in finance talks

By Michael Van Os

AMSTERDAM, Feb. 7.

VOLVO CAR, the former Dutch Daf Car manufacturer, has opened talks with its major shareholder, the State-owned DSM chemical group, which has a 25 per cent. shareholding, to negotiate further finance. Largely because of difficulties associated with its new model the 343, the company will not break even until 1978. But the management would neither confirm nor deny local Press reports that it is seeking Dutch Government assistance.

The management of Volvo Car has applied for a second eleven-week period of short-time working so that the number of Volvo cars produced amounts to some 13,000 less in the two periods. The excessive level of stocks is blamed.

Ford plan for diesel car

BY TERRY DODSWORTH, MOTOR INDUSTRY CORRESPONDENT

FORD OF Europe is planning to launch another contender in the growing European market for diesel cars with a version of its Granada model at the end of the year.

The car, Ford's largest model, is to be fitted with an engine made by Peugeot, the French company which has been using diesels in its own vehicles for several years.

Confirming the deal, an official from Ford France said that the engine will be used on a trial basis first, but further development will depend on the market.

It is not clear as yet whether or when Ford will introduce a diesel Granada to the U.K.

The biggest market for diesels in Europe exists currently in Germany, where both Mercedes and Opel produce diesel cars, and all the Ford Granada vehicles are now made in Germany.

On the other hand, there is a feeling in the British industry that there are growing opportunities for diesel cars, particularly larger vehicles such as the Granada which are sold to the company car market.

Our New York Staff writes: Ford Motor, the second largest car producer in the U.S., has taken steps to "encourage the sale of smaller and more fuel-efficient cars and engines" by offering a permanent base model price reduction in both.

Ford's smaller cars will sell for $50 less than before, while the company's standard car prices will remain constant. Additionally, in one of the larger cars, a new V8 engine with a highway fuel rating of 17 mpg will be $92 cheaper than its standard counterpart, which has a 15 mpg rating.

This effort to stimulate small car sales follows a move by Ford on January 26 to boost sales by offering a package deal with reduced prices on optional equipment, although this sale package is an annual practice. It also follows rebate programmes instigated by both General Motors and American Motors last November.

China's shivering masses

BY A SPECIAL CORRESPONDENT PEKING, Feb. 7.

WITH AMERICA in the grip of its bitterest winter in years, President Carter has appealed to Americans to turn down their heating to 18 deg. C by day and 13 deg. C at night. In China, the population have no choice.

Peking's winter temperatures can fall to −20 deg. C, but Chinese apartment blocks are centrally heated to only 10 deg. C and the heating is entirely cut off for much of the day. While in cities to the south, like Shanghai, there is no provision for heating houses, *factories* or public buildings at all, though temperatures on occasion can fall below zero.

People wear most of their outdoor clothes indoors. Layer after layer of cotton underwear, padded cotton coats, and trousers puff out even the slightest figure to rotund proportions.

This *year's* winter is proving considerably colder than last, at a time when coal supplies, which provide 70 per cent. of the nation's energy, have been adversely affected by the disastrous earthquake in Tangshan last July.

China is the world's third largest producer of coal. Production is estimated at around 420m. tons a year. Demands on the industry are growing. The steel industry, vital to the programme to mechanise agriculture, is putting growing pressure on coal supplies, and, moreover, China has put out feelers to expand coal exports, to provide foreign exchange to buy foreign technology to upgrade the industry.

Greater emphasis may need to be placed on oil, which now accounts for 20 per cent. of fuel requirements. The low domestic energy consumption however ensures that the country does not face the energy crisis faced by America. With indoor heating at 10 degrees C., cold water washing and bicycles instead of cars, China can devote a greater proportion of her fuel resources to industrial production.

David Lascelles adds: The Soviet Union has come to the aid of its isolated ally, Mongolia, where severe winter conditions threaten to destroy a large part of the country's main asset, livestock.

According to Montsame, the Mongolian news agency, the cold is the severest for ten years, and virtually all pasture land is frozen over or under deep snow. Soviet transport columns from neighbouring Siberia are reported to have delivered several thousand tons of fodder to starving cattle, with helicopters flying it to areas inaccessible by road.

Nevertheless, the original plan of achieving a livestock population of 25m. is now several years behind schedule, making Mongolia's tiny economy vulnerable to the unexpected.

The Soviet Union relies heavily on Mongolia for meat to supply the Siberian regions, where food production is always difficult. Mongolian meat is also believed to be the mainstay of Soviet troops posted along the Chinese border.

The cold spell has come just as Mongolia is implementing a long-term programme to build winter shelters for livestock and improve the fodder base. Montsame says that progress so far has *meant* that *losses* are *not* as bad as the last severe winter in 1967.

THE WIDOW of Premier Chou En-lai, Teng Ying-chao, is in Burma, on the first overseas state visit by a Chinese leader since the death of Chairman Mao Tse-tung in September.

The visit comes less than three months after the chairman of the outlawed Burmese Communist Party, Thakin Ba Thein Tin, was received in Peking by the then newly-appointed chairman of the Chinese Communist Party Hua Kuo-feng.

Omani $8bn. development

NICOSIA, Feb. 7.

OMAN plans to spend 2.79bn. *rials ($8.09bn.)* on *development* projects under a new five-year plan, the Middle East Economic Survey reported to-day. The plan, which envisages a growth rate of 12.6 per cent. in gross national product over the 1976-1980 period, emphasises the role of the private sector, it said.

ON OTHER PAGES

● NEWS ANALYSIS

Bearings move implies unfair tradin

BY KENNETH GOODING, INDUSTRIAL CORRESPONDENT

THE JAPANESE bearings industry has been following pricing policies aimed at "ruining and displacing competitors in world markets." That was the claim made by the European bearings makers, which resulted in yesterday's action by the European Commission on imports.

And the EEC manufacturers *—from the U.K., France, West* Germany and Italy — pointed out that not only were jobs at stake but also a highly-strategic industry because every product that rolls, flies, floats or fires is dependent on bearings.

The Commission is devoted to the principles of free trade and so by slapping on a penal duty, there is the implication that the Japanese are guilty of unfair trading practices.

In doing so the Commission is nearly three years behind the U.S. where the domestic producers petitioned the Tariff Commission and in 1974 a two-tier duty system was introduced aimed specifically at the Japanese.

Operated by means of a price-break mechanism the duty system involves low-priced imports paying higher duty than those of a normal price.

Also dumping was proven in the case of tapered roller bearings not only in the U.S. but in Canada as well with Timken, the major manufacturer of this type, well to the *fore in* producing the necessary evidence.

The European manufacturers produced some telling statistics to support their case. The EEC market for rolling bearings increased by 33 per cent. since 1968 but imports of Japanese bearings shot up by 270 per cent. This pushed the Japanese share of the market from 3.3 to 9.3 per cent.

That is not the full story however. The Japanese concentrate their major effort on exporting high-volume bearing types and sizes. While this particular part of the market has shown a 27 per cent. increase since 1968, Japanese imports to the Common *Market* are up 216 per cent pushing up market share from 7 per cent. to 17.4 per cent.

The U.K. has been less affected than France and Germany by the Japanese offensive because imports were limited by four years of export control ordinances up to the end of 1975 and these were replaced by what *MITI (the Japanese* Ministry of International Trade and Industry) describes as "marketing in an orderly fashion."

Even so, imports of Japanese bearings in the most popular sizes accounted for about 70 per cent. of the U.K. market last year.

To achieve this penetration the major Japanese companies operate manufacturing and export cartel arrangements—authorised by MITI—of a type which are outlawed in Western Europe and North America under anti-trust legislation. The cartel arrangements ensure that the Japanese companies do not compete unnecessarily against one another when attacking overseas targets.

The other side of the story is that the Japanese industry insists on keeping the flow of trade in bearings a one-way affair. Again the statistics speak for themselves. Common Market exports to Japan in 1968 were 303 tonnes against imports from that country of 5,445 tonnes. In 1975 EEC exports were only 230 tonnes while imports came to 20,190 tonnes.

In spite of all this export success, the Japanese bearings industry seems to be in poor financial shape and without the support of the big banks and major trading groups which control most of Japanese industrial companies they would have been even worse off. For it appears that these outside interests have been financing the Japanese industry's stockbuilding during the recession.

Three out of the four major Japanese bearings concerns—NSK, NTN and Koyo—seem to have made net losses in their latest-reported financial years while the fourth, *NACHI*, made a very small profit.

To be sure there have been indications in recent months that the Japanese are lifting the list prices for bearings. But there are so many deals done with individual customers which ignore the quoted list prices, there have been changes in the discounts offered and the Japanese are willing to offer fixed prices for delivery a long way ahead.

All this means that the price matters very little. I the Japanese prices are st per cent. or more below tho domestic bearings in Germany and France.

The Japanese manufact have also been well aware their trading policies were l to produce the kind of r which emerged from Br yesterday. So they have building up assembly and m facturing operations ou Japan.

NTN, for example, has a at Mettmann, in West Ger opened three years ago which recently has expanded. This is largely assembly plant, putting tog rings, balls and cages impo from Japan.

NSK last year brought stream the plant it built U.K. Government aid, at P lee. This is a manufact plant although it is Japanese tubing.

The Commission's action done nothing to alleviate an —and potentially more seri problem. *This involves* the ing manufacturing fac which have been built in Comecon countries with Jap help and developed in sp world over-capacity.

These plants are to be for in part by the export bearings for hard currencies exports have already begu appear in the EEC And the to the West of East Bloc bea seems certain to depress p for years to come.

هكذا من الاصل

Poor receive less than a third of State benefits

BY CHRISTIAN TYLER, LABOUR STAFF

3OUT £2.1bn. a year of the bn. paid by the State in bene- s goes to the pre-transfer or—those below the poverty e before the receipt of supple- ntary benefits, the Royal Com- ssion on the Distribution of come and Wealth was told yes- day.

This apparently low efficiency owed that State benefits had ner objects than reducing verty, said Dr. Wilfred Becker- n, of Balliol College, Oxford, evidence to the Commission. But looked at another way, iciency was very high, because *per cent.* of the poverty gap e gap between actual income the poverty line) was elimi- ed by social security pay- nts.

Dr. Beckerman *said* that in te of a rapid increase in some ms of public expenditure, the portion of people below the poverty line had not fallen significantly.

At the same time, the supplementary benefit system meant that, although Britain had a high proportion of people below the poverty line, defined in relation to supplementary benefit scales, their distance below it would be very small by comparison with the poor in other countries.

The effect of payments — the feedback—was an important but complicated factor in the equation.

The Commission, headed by Lord Diamond, started work yesterday on its low income reference from the Government.

It is being asked to analyse the economic and social causes of low incomes, their trend over the past five years, and the present *levels of distribution* of low incomes before and after tax for families as well as for individuals.

Spirits clearances leap 68 per cent.

FINANCIAL TIMES REPORTER

E RUSH to buy spirits in vember before the mini- dget is dramatically illus- ted in the latest Customs and cise statistics.

Clearances from bond of rits rose 68.6 per cent., com- ed with the pervious Novem- , to just under 8m. proof lons as customers anticipated t the Chancellor would lift ior *duties again.*

Scotch whisky accounted for re than half the November al with 4.28m. gallons with- wn from bond, an increase 78.3 per cent. on the previous vember.

This took the total for the t 11 months of last year to m. gallons and helped it to 8.3 per cent. increase on the ie period of 1975.

Immature spirits, mostly gin and vodka, clearances jumped 58 per cent. to 1.95m. gallons and for the 11 months the total was up 11.23 per cent. to 8.3m. gallons.

Rum duty payments rose 57.5 per cent. to 770,000 gallons but the running total of 2.9m. gallons was only 1.6 per cent. ahead. Brandy rose 67 per cent. to 615,000 gallons and was 11 per cent. up over the 11 months to 2.27m. gallons.

The rush to buy spirits continued right up to the mini-Budget and to some extent afterwards. As a result, the trade is looking for a very slack first quarter this year unless there is a threat of further duty increases in an April Budget.

Retail sales pegged by squeeze on pay

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

RTHER EVIDENCE of the act on consumer spending of squeeze on take-home pay provided yesterday by retail s figures which showed little nge in recent months.

he Department of Industry that the final index of the ume of retail sales in ember was 108.3 (1971=100, onally adjusted), close to the visional estimate of 108½.

his represents a drop of 0.8 cent. on the November figure suggests that trading before istmas and in the first few of the *winter sales* season not nearly as buoyant as reports suggested, even igh it was 1.6 per cent. er than in December, 1975 he level of sales in the fourth ter of last year was ginally lower than in the pre- ng three months, while over year as a whole the average me of trade was similar to in 1975.

st forecasters project a l drop in retail sales this on the view that the decline eal personal disposable in- will be only partly offset an increased drawing on gs.

flat trend in recent months so indicated by figures for instalment credit agree- ts in December. Advances inance houses and retailers 330m. (seasonally adjusted) showed little change on the previous month.

Over the fourth quarter as a whole, both retailers and finance houses increased their advances by 6 per cent. compared with the previous three months.

Lending last year was about 20 per cent. higher on average than in 1975, with finance houses reporting more rapid growth than retailers, reflecting the pick-up in sales of cars.

Within the retail total, the volume of sales by food shops *continued* to decline in the fourth quarter—down by nearly 1 per cent. on the previous three months. There was a similar drop in sales by clothing and footwear shops.

Durable goods sales were unchanged between the quarters, though they fell by 2½ per cent. between November and December. This suggests that some purchases may have been brought forward because of a possible rise in VAT.

Durable goods sales, however, were 9½ per cent. higher in December than 12 months earlier.

The value of retail sales in December was 16 per cent. up on a year earlier, on a non-seasonally adjusted basis.

The value of sales last year was 15 per cent. higher than in 1975.

H.P. CREDIT AND RETAIL SALES
Seasonally adjusted

New-credit extended by: Finance Houses £m.	Retailers £m.	Total debt outstanding (unadjusted) £m.	Retail volume (revised) Total (1971=100)	Durable goods shops
286	425	2,265	111.1	129
309	450	2,266	109.2	130
303	445	2,257	105.4	111
303	466	2,320	105.7	113
342	502	2,297	107.3	119
384	491	2,363	107.6	122
391	524	2,465	108.9	128
414	558	2,662	108.5	128
126	165	2,386	108.8	128
129	176	2,430	108.9	128
136	183	2,465	108.9	128
128	182	2,519	108.1	129
139	193	2,605	109.2	130
147	183	2,662	108.3	127

Department of Industry

aplin airport is urged r charter operators

MICHAEL DONNE, AEROSPACE CORRESPONDENT

TRUCTION of a small new t for charter operators on med land at Maplin, off the coast, is urged by the row Association for the nl of Aircraft Noise as a of reducing the growing stion at Heathrow.

association, pointing out the abandoned plan for n would have cost about suggests that a "cheap, ul charter airport" might rth while.

It could have initially one runway and one *terminal*, built on Defence Ministry land and near to existing road and rail links.

It would cost about £100m. leaving ample funds to develop any new regional airport and "plenty of change by comparison with the costly folly of Maplin.

"It would also be a great deal cheaper, and make better environmental sense, than the policy of piecemeal development of the four London airports."

Leyland seeks State aid for £80m. foundry plan

BY ARTHUR SMITH, MIDLANDS CORRESPONDENT

BRITISH LEYLAND is seeking financial aid from the Government to modernise out-dated foundry capacity.

The company, 95 per cent. owned by the National Enterprise Board, believes it will be eligible for assistance under the Government's industry aid scheme for ferrous and non-ferrous foundries.

The bulk of the £80m. cost will be spent on a planned ferrous foundry at Wellingborough and an aluminium plant at Leeds, both of which could be commissioned by 1980.

Leyland's strategy for foundries was presented to the National Enterprise Board in November, but the *detailed submission* is not expected until the spring.

Reasons

Impatience at the apparent delay is being expressed within the industry. Mr. Derek Farrant, director of the Council of Ironfoundry Associations, said last night that another *meeting* would be sought with Lord Ryder, chairman of the National Enterprise Board, to discover why decisions about Leyland—expected before the *end of last year—had still* not been taken.

Two possible reasons for Leyland to give increased consideration to its foundry plans are the need to restrain spending and the extra capacity being created in the private sector.

The increased cost of the Mini replacement programmes — up from £170m. to more than £220m.—has put pressure on British Leyland's other capital investment.

Mr. Eric Varley, the Industry Secretary, has instructed the National Enterprise Board to look for savings wherever possible. Questions are being posed by the private sector about whether Leyland's foundry plans could create excess capacity.

Present investment plans by the ferrous sector—boosted by the Government's successful selective aid schemes—are expected to increase foundry capacity by 40 per cent. by 1980-81.

However, Leyland is likely to make the point, that even if it goes ahead with its proposals, its take from the private sector, because of increased demand, will remain at the existing 40 per cent. proportion.

Lord Ryder in his rescue package for Leyland, put together in 1975, highlighted foundries as the main area in which lack of capital was most evident. He called for an investment of £50m. at 1975 prices.

Leyland is likely to follow this line.

Maple to be responsible for production matters

LEYLAND CARS last night announced a new appointment designed to strengthen its manufacturing operations, writes Arthur Smith. Mr. Charles Maple, brought in *as director of quality* after the Ryder reconstruction in 1975, will take day-to-day responsibility for all production matters, the company said.

He will report directly to Mr. Richard Perry, director of the manufacturing division, who will be freed to give more attention to the development of future projects.

There will be changes in internal management functions as a result of the appointment, but Leyland Cars said that the workforce would not be affected directly.

A replacement has yet to be named for Mr. Maple, who initiated Leyland's "quality 1977" campaign.

Computer company links with Japanese

By Christopher Lorenz,
Electronics Correspondent

BRITAIN'S LEADING computer peripherals specialist, Data Recording Instrument, is extending its product range in collaboration with a Japanese-owned company.

Data Recording, a long-established *National Research Development* Corporation investment in which the National Enterprise Board took a 54 per cent. stake last year in exchange for £2m new capital, is co-operating with Okidata Corporation of the U.S (a subsidiary of Oki of Japan) in the development of a new medium-sized *disc* drive—a data storage device.

The product will have a capacity several times greater than Data Recording's largest existing disc drive. Manufacture will start later this year on both sides of the Atlantic. Data Recording will serve the European market and Okidata the U.S

Mr. Harry Pinn, the company's managing director, said that discussions had been taking place with U.K. and EEC *customers* to assess likely requirements.

Data Recording reported sales of £8.5m. in its last financial year—and sales are now running at an annual rate of £12m. This includes products other than disc drives.

West End theatres register ticket sales agreements

BY ELINOR GOODMAN, CONSUMER AFFAIRS CORRESPONDENT

WEST END theatres have registered their exclusive dealing agreements with the Office of Fair Trading. The agreements restrict the sale of theatre tickets to certain agencies and prevent them from cutting prices beyond an agreed limit.

These agreements recently prevented an agency in Covent Garden from selling tickets at reduced prices on the day of a performance.

Registration of the agreements —some involving pacts between the theatres and others involving arrangements operated by the theatres in association with the ticket agencies—is part of the process of extending restrictive practices legislation from goods to services.

Scrutiny

Any inter-company arrangements such as those operated by a trade association, have to be notified to the Office of Fair Trading. If the companies want to continue operating them, the *terms* of the pacts have to be put on the Register of Restrictive Practices.

Registration of agreements does not automatically mean that the parties are determined to go on operating them in the long term. To do so, they would have to justify them in the courts and experience in the field of manufactured goods has shown that very few agreements survive such scrutiny.

The fact that the West End theatres have registered their agreements, rather than agreeing to break them up, *indicates* the importance they attach to them. The agreements cover restrictions on prices, discounts and entitlement to sell tickets.

So far, 124 agreements involving the service industries have been put on the register. Details of more than 400 arrangements have been submitted to the Office of Fair Trading, but some have been found to be outside the scope of the law.

Royal Ascot applications

ASCOT'S Royal Meeting will take place on June 14, 15, 16 and 17. Applications for admission to the Royal Enclosure should be made to Her Majesty's Representative, Ascot Office, St. James's Palace, London SW1 before the end of April.

Visitors from overseas should apply to their Ambassador or High Commissioner.

Tarling quits as Polymer director

BY MARGARET REID

MR. RICHARD TARLING, who was found to have a case to answer on charges in extradition proceedings by the Singapore Government, has resigned as a director of Allied Polymer Group.

Mr. Tarling, previously a colleague of Mr. Jim Slater, and one-time director of Slater Walker Securities as well as chairman of its former Singapore associate, Haw Par Brothers International, offered his resignation in a letter to Mr. Peter Fatharly, Allied Polymer's chairman.

Mr. Tarling wrote that in the light of the ruling of the Chief Metropolitan Magistrate that there was a *prima facie* case to be heard on some of the charges he considered it in the best interests of Allied Polymer to resign his directorships.

He has also resigned as a director of Allied Polymer Group International.

Mr. Fatharly replied that the Board accepted the resignation with much regret, but understood why Mr. Tarling considered this the proper and honourable course of action.

Given a satisfactory resolution of the present difficulties, the Board would reconsider Mr. Tarling's position and reappointment.

Habeas corpus

In July, 1974, Mr. Tarling, shortly after leaving the Slater Walker Board, became a director of Allied Polymer and a part-time executive of its APG International subsidiary. He was principally associated with development of the overseas interests.

Slater Walker floated Allied Polymer on the Stock Market in 1971 but now has no equity stake in it.

A writ of *habeas corpus* was sought last week on Mr. Tarling's behalf, this being the beginning of the procedure by which he plans to carry on his fight against extradition through an appeal.

Mr Tarling said yesterday that he was still working for Allied Polymer.

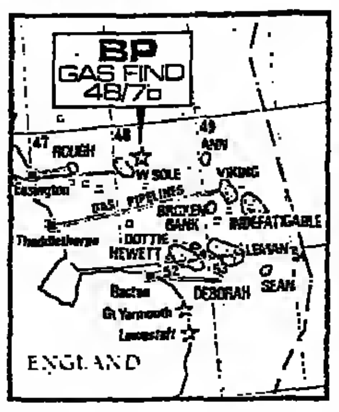
BP makes new gas find in southern North Sea

BY RAY DAFTER, ENERGY CORRESPONDENT

BRITISH PETROLEUM has made an encouraging gas find in the southern sector of the North Sea, near the West Sole Field.

The jack-up exploration rig Key Gibraltar was used to test the well at a flow rate of about 340,000 cu. metres a day. The well, sunk in only 120 feet of water, found gas at a depth of about 9,000 feet in lower Permean sandstone.

BP is evaluating the information gained from the drilling before deciding whether to sink another appraisal well. Meanwhile, the Key Gibraltar has moved to a Dutch block to drill a BP/Gulf concession.



The prospects of the find on Block 48/7b in the southern sector of the North Sea has been enhanced by nearness to the West Sole Feld, only 10 kilometres to the south-west.

The West Sole gas field was discovered by BP in October 1965. By the end of 1975 it had produced the equivalent of 11.51m. tonnes of oil.

Decision

It is possible that if the latest find proves a commercial prospect, a production system could be devised to feed the gas through the West Sole facilities.

BP is evaluating possible development plans for its North Sea Magnus oil field. A decision to proceed with the commercial exploitation of the field could be taken late this year.

In addition, BP has mentioned to have talks with interests in the Buchan Field with a view to buying a major stake and taking over as operator for the development.

● The Government yesterday notched up another victory in its campaign to gain full state participation in North-Sea oil activities.

Dr. Dickson Mabon, Minister of State, Energy, said that ICI had reached an understanding with the Government that British National Oil Corporation would be involved in its Ninian Field activities.

ICI had agreed that the corporation would have access, after an initial interval, to up to 51 per cent. of the company's Ninian oil. In return, ICI would have an option to buy back from the corporation at market price, oil at a comparable quantity and quality bought under the participation arrangements.

These buy-back arrangements were intended to safeguard ICI's petrochemical operations in the U.K.

ICI has also agreed to transfer a portion of its voting rights to the corporation, although this deal may be overriden by a collective agreement on participation votes among all the Ninian Field partners.

Deal expected

Licensees in Block 3/3 which covers part of Ninian are: Chevron (24 per cent.); BNOC (Ninian) (30 per cent.); ICI (26 per cent.); Murphy Petroleum (10 per cent.); and Ocean Exploration (10 per cent.).

The Government has almost completed its initial round of participation negotiations with licensees in commercial fields. Only Amoco, among the major companies, remains to agree outline terms and a deal here is expected shortly.

Participation agreements have already been made with Gulf, Conoco, Tricentrol and Ranger while outline agreements have been concluded with BP, Shell, Esso, Chevron, Deminex, Texaco, Mobil, Texas Eastern, Amerada Hess, ICI, Occidental Group, Union North Sea Group and Santa Fe.

Hint of petrol price-sign law

BY STUART ALEXANDER

A NEAR-ULTIMATUM over the proper way to display petrol prices on garage forecourts was issued yesterday in the Commons by Mr. John Fraser, Minister of State at the Department of Prices and Consumer Protection.

Unless garages fell into line with the voluntary agreement negotiated in September by the Office of Fair Trading with the petrol retailers and main oil companies, the Government would act with a new law, Mr. Fraser said.

Officials were already working on a draft Order under the Prices Act 1974 with the same objectives as the voluntary agreement.

Unless a survey at the end of this month by local authorities at the request of the Fair Trading Office showed that the voluntary agreement had worked, he would immediately begin statutory consultations on the draft Order.

The Office announced the voluntary agreement, primarily concerned with the way cut-price offers were displayed and expressed by garages in September. It was intended to phase out vague signs promising such things as 4p off the posted pump price when there was no indication of the pump price.

Garages were to show both the actual price to be paid and the higher price from which the reduction was claimed. All this was to be written large enough to be seen by the motorist in his car and before entering the garage.

Enterprise Board rescues Keland

By Max Wilkinson, Industrial Staff

A SMALL transformer company in the North East which recently went into liquidation has been rescued by the National Enterprise Board.

The Board has supplied £100,000 capital as equity and £50,000 as an unsecured loan to Keland Electrics, formerly Keland.

The company, which exports a fifth of its output and supplies the Post Office, has been consistently profit making. However it was forced into liquidation by the insolvency of its parent company, Motor Rail.

It will employ about 120 people and continue with the former managing director, Mr. B. P. Hallett, in charge.

Keland, which has a factory at Blaydon, near Newcastle upon Tyne, was taken over by Motor Rail in 1972 from Burnholme Engineering. Keland makes small mains and audio transformers developed by its own designers. They are used in telecommunications equipment.

Expansion

The bulk of Motor Rail's business was in fork lift truck attachments and handling equipment for specialised trades and formerly narrow gauge locomotives, mainly for mines.

Dealings in Motor Rail shares were suspended in August last year, and a receiver was appointed. The company had been in financial difficulties for some time before that.

The National Enterprise Board said: "Apart from preserving an essentially sound company, the National Enterprise Board and the management of Keland Electrics can see significant prospects for expansion."

The Board hopes to build up the company to provide more jobs in the North East.

The new chairman of the company will be Mr. Gerald Conoolly, northern regional director of the National Enterprise Board.

Proposals to ease congestions in courts

By A. H. Hermann

DEFENDANTS APPEARING before magistrates should be served beforehand with a prosecution statement setting out the evidence, according to the Society of Conservative Lawyers.

The committee suggests in a report on procedure in magistrates' courts several measures to improve the defendant's position and reduce the long waiting caused by the present congestion and listing practices. It claims that its recommendations could be adopted without undue administrative difficulties.

The committee comments on the James Report, which accepted in principle the desirability of the defendant being given full information, but suggested an experimental period during which the serving of statements by witnesses would be limited to more serious offences.

Interim Report of the Research Subcommittee of The Society of Conservative Lawyers on Procedure in Magistrates' Courts. 5, New Square, Lincoln's Inn, London, W.C.2.

Dates set for grants to industry

THE INDUSTRY Department has introduced a new order establishing the dates by which companies will have to apply if they are to gain investment grants for incurred expenditure.

The investment grant system was ended six years ago in favour of regional and selective aid. But grants are still payable for capital expenditure authorised before then but not incurred until more recently.

In the last financial year, nearly £71m. was paid, mostly for ships, and the level, while declining, is still expected to be substantial this financial year.

The latest order, the Investment Grants Termination (No. 7) Order 1977, sets a general limit of 18 months for applications after the three-month period in which expenditure was incurred.

Expenditure made between April and June, for example, will be considered for a grant only if the application is made by next January 1

Uranium test

ORKNEY will consider to-day an application from the South of Scotland Electricity Board for permission to sink 11 test borings for uranium on the west side of Orkney.

MR. CHARLES A. BANE (right), a Chicago lawyer, discusses plans to save the Temple Bar with one of the British trustees of the project, Sir Edward Singleton. Temple Bar, designed by Sir Christopher Wren, guarded the entrance to the City of London at the Strand until 1878. It was moved because of the need to widen the road and found a home ten years later in Theobald's Park, Cheshunt, in Hertfordshire. Now, about £500,000 will be needed to renovate it and return it to central London. A site on the north side of St. Paul's Cathedral has been suggested. Mr. Bane heads the *U.S.* side of the appeal for funds; American lawyers hope to raise £300,000.

Friedman 'is living in 19th century' says Harold Lever

BY IAN HARGREAVES, INDUSTRIAL STAFF

MILTON FRIEDMAN, U.S. Nobel prize-winning economist, was told last night by Mr. Harold Lever, chief economic adviser to the Government, that his views on Britain belonged to the 19th century.

Mr. Lever, interviewed on Thames Television, said he found Professor Friedman's "manic depressive hyperbole" about the imminent collapse of Britain "extraordinary."

He began his spirited onslaught on the American author by saying that he was a "charming and brilliant man" in both private conversation and his serious economic work, but in the field of popular economic history, which he had entered somewhat innocently and without proper qualifications, he was doing injury to his reputation.

If sterling had not staged a recovery from its beleaguered condition at the end of last year, there would have been severe difficulties, but collapse had never been in prospect.

Milton Friedman's views were so typical of the 19th century, it had to be concluded that the professor was living in the last century.

Turning to the recommendations of the Bullock Report on industrial democracy, Mr. Lever said that a solution based on coercion was "worthless."

He had an open mind on the report's content, but he thought that agreement would be reached by the Government, the unions and employers.

Museum plans new exhibits

THE GEOPHYSICS and oceanography gallery at the Science Museum in London will open to-morrow week. The former geophysics gallery has been expanded to allow the oceanography collection to be exhibited for the first time since the war.

The nucleus of the collection is apparatus used on 19th century expeditions. Models of the laboratories and decks of HMS Challenger have been built to show how equipment was used at sea.

Brokers face surprise charges

UNEXPECTED CHARG tricking the Stock Ex over its internal acco system were brought a seven partners in the City broking firm of Chapman Rowe, and its managing when the committal b over its clients' affairs o at Guildhall Court in th of London yesterday.

The charges, which al clude the alleged theft of from the Moscow Narodny and other clients, were lat the defendants appeared start of a two-weeks' h Reporting restrictions we lifted.

Application is being ma all the accused to be sent fo trial at the Old Bailey.

Defendants

The defendants are seven broking members of Ch and Rowe: Mr. Victor T Andrews (32), of Great Petts Wood, Kent; Mr. M Charles Waller (41), of Se Road, East Preston, Susse John Maxwell Gordon (3 Stade Bottom Farm, St, Bourne, near Andover, Mr. Ralph Clarke (48), of ine Street, South Kensingto Alan Herman (33), of Heath Lane, Putney; Mr. Edward Miller (36), of W don Park Road, Wimbledo Mr. Herbert Neville Wo (70), of Prey Heath Worplesdon, Surrey.

Also accused is the managing clerk, Mr. John M Gondsell (34), of Marlpit Sharpthorne, Sussex.

The basic charge allege they all conspired be September, 1973, and April to defraud clients of Ch and Rowe by pledging stocks as security for bank without authority.

False

But the new charges all defendants include allegation that they fu information on January 17 in the Council of the Exchange, and to Deloit relating to the financial s of Chapman and Rowe honestly with view to connection with their balance sheet for Septem 1973, which they knew false or deceptive in wrongly showed their m margin was £175,721.

All the defendants also further charges under the Act, 1968, of stealing shares from the Moscow N Bank, from the Trade De ment Bank (otherwise as the Banque Pour De ment) of Aldermanbury, Roberts Wilkie Ltd., of W G. C. Bates and Co., L Garlick House, EC, Carett Co. Ltd., of New Ca Street, W1, and Mr Victor Pratt, of Hampstead, be March 1973 and March 19

Further charges alleg theft of 11,250 GEC share the Trade Development 25,000 MEPC shares fro Pratt, £8,000 of Newcastle authority bonds from Mr. and 2,000 Heeley's shares G. B. Bates and Co.

● Chapman and Rowe h estimated deficiency of when they were hammer 1974.

Education and industry need closer links, Williams told

BY JAMES McDONALD

THE POOR IMAGE of industry presented to many schoolchildren is one of several problems identified by Lord Porchester, chairman of the South-East Economic Planning Council, in a letter to Mrs. Shirley Williams, the Education Secretary.

Others include the poor preparation for industrial work given by some schools and the low level of attainment of some school leavers, particularly in basic literacy and numeracy.

The letter comes after a series of meetings of educationalists and industrialists throughout the South-East.

Lord Porchester says the council is concerned about the relationship between education and industry in the region. He suggests that, to improve liaison between the two, both employers and union members should visit schools regularly to explain opportunities in industry.

Teachers should also visit industry to gain a greater understanding of its possibilities.

At a broader level there should be more representatives from both sides of industry on the Schools Council and on governing bodies of individual schools.

Another suggestion is local committees to bring together local authority education officers and representatives of industry.

However, the letter goes further, proposing that industrialists should have some influence in the development of curricula and the examination system "in order to put more emphasis on vocational training and on giving children some work experience in their final years."

School courses in industrial relations are also suggested.

Lord Porchester says careers masters should be "professional, preferably full-time, with first-hand knowledge of industry and the opportunities it offers. Such staff might well be recruited or seconded from industry."

School leavers had to be given greater motivation to enter industry. "The status of jobs in industry must be raised differentials re-established courage young entrants to for more skilled employme

"Job opportunities coul widened by obtaining ments for the employment fixed proportion of young ployees in all industrial f

More emphasis had placed on training the and strengthening the lin tween education and tra Existing schemes shoul extended and the Careers vice expanded. Pressure to in business and ind courses should be resisted

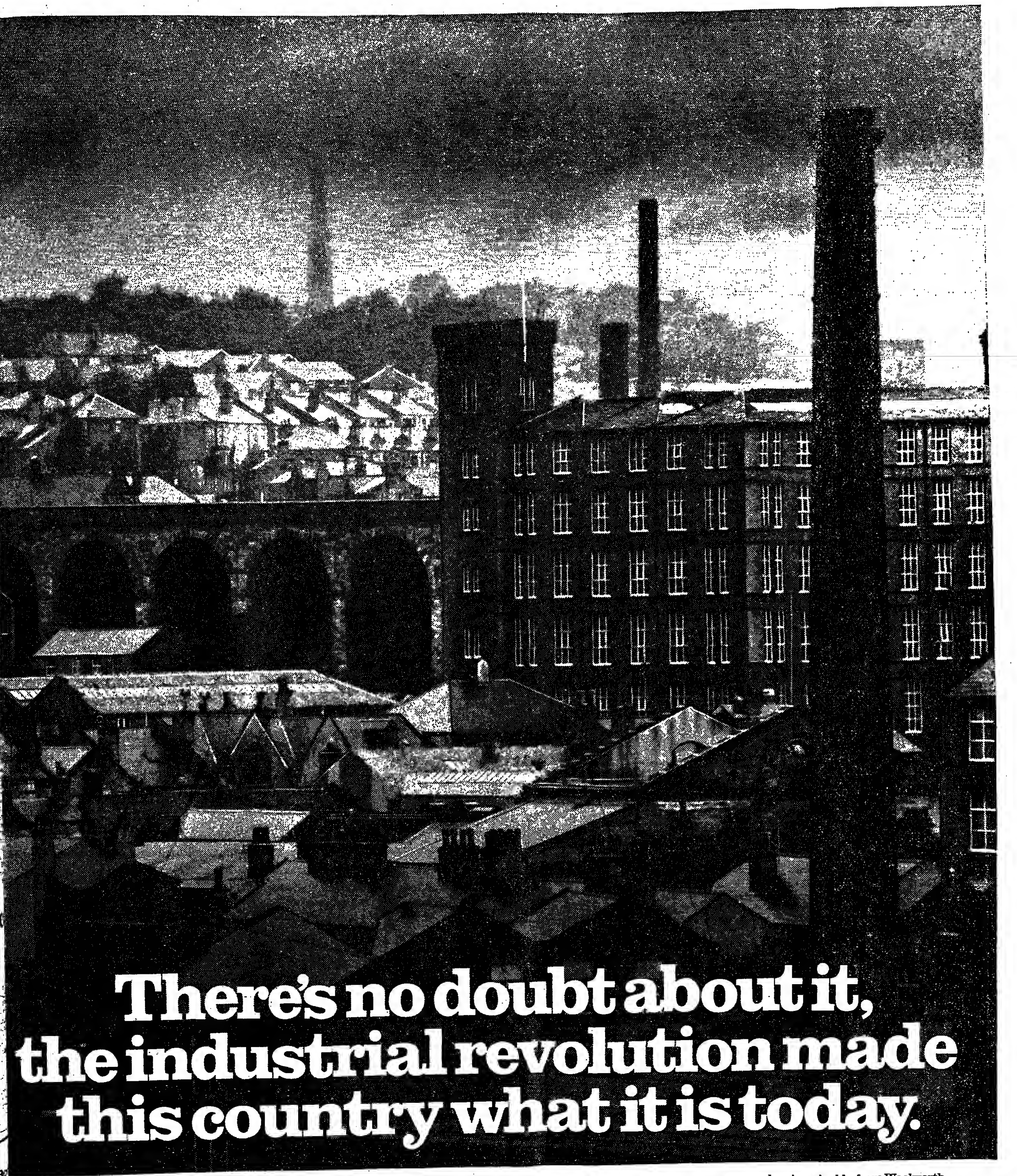
It's a Knockout man given new BBC post

FINANCIAL TIMES REPORTER

MR. ROBIN SCOTT, controller of development at BBC Television, is to take up the new post of deputy managing director there from April 1, when Mr. Alasdair Milne, director of programmes, becomes managing director.

Mr. Scott, who served in the Intelligence Corps from 1941 to 1942, joined the BBC French Service at the end of 1942. He launched It's a Knockout for BBC Television in 1966, and became controller of development in May 1974.

Mr. Scott is a member of the London Celebration Committee for the Queen's Silver Jubilee. He was appointed CBE in the Queen's birthday honours list last year.



It's surprising, but it's true.

In a time when we desperately need new investment, over 50% of British industry still lives and works under virtually the same conditions as the Victorians did.

Redevelopment will solve some of the problems. But it won't solve them all.

It takes more than a bulldozer to create a new city.

It takes a new philosophy.

At Milton Keynes, we have a new philosophy.

It is, quite simply this: that the city we create will, above all, respond to the needs of the people who live in it.

So that it will not only be a better place to work—but a better place to be.

Quite naturally at this stage, there's still as much of Milton Keynes on the drawing board, as there is on the sky-line.

Yet, in the six years since building began, we've come a long way towards turning our philosophy into a reality.

You'll find Milton Keynes in the heart of the Buckinghamshire countryside. But the communications are far from rural.

There's direct access to the M1. And both London and Birmingham are little more than an hour away.

Already there are more than 12,000 new homes, and over 120 new factories, plants and offices.

To date, 120 firms of various sizes have moved in and set up business. And that includes big names like Rank Xerox, BOC, Bejam, Tesco, Telephone Rentals, Hoechst U.K. and Coca-Cola.

Since 1970 the population of Milton Keynes has almost doubled. From 40,000 to well over the 70,000 mark.

Why so many new arrivals?

17,000 new jobs is one reason. But it's certainly not the only reason.

The fact is, Milton Keynes offers people more of what they want.

There's more countryside for a start. (Did you know we've planted 1.2 million trees and shrubs in the last 6 years?)

There are more new schools to choose from. 31 completed at the last count.

There are more villages in Milton Keynes. Yes, villages. 13 of them in all, with church, corner shop and local pub.

There are already a multitude of sports and leisure facilities too. And more to come, in the new city centre development.

Right now we're putting together the biggest under-cover shopping area in Britain.

In the heart of Milton Keynes.

Complete, the centre will include every shop imaginable, from Woolworth and John Lewis right down to the local greengrocers and hardware stores.

There'll also be cafes, restaurants, pubs, cinemas and a superb new entertainments complex, all under the same roof.

Building what people need, not what we think they need, is not only part of the Milton Keynes philosophy: it's basically common sense.

After all, people work best in the best possible environment.

We're not saying Milton Keynes is the answer to everyone's problem.

But at a time when there seems little opportunity to create a better tomorrow, at least it's a start.

Milton Keynes.
A new kind of city.

IF YOU WOULD LIKE MORE INFORMATION ON MILTON KEYNES AND WHAT IT CAN OFFER PLEASE WRITE TO:
THE DIRECTOR OF COMMERCE, MILTON KEYNES DEVELOPMENT CORPORATION, WAVENDON TOWER, MILTON KEYNES MK17 8LX, TEL: 0908 74000.

The Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● NORTH SEA OIL

Producing oil at lower cost

WITH WORK on the Department of Energy's fifth round of licensing for North Sea blocs under way, there is a growing backlog of smaller fields still awaiting development decisions—fields like Brae, Buchan, Hutton, etc.

Decisions have been delayed mainly because of the mounting cost of bringing North Sea fields into production and in the opinion of a number of operators, fields which two years ago looked promising, may begin to look marginal unless cheaper methods of getting the oil ashore are found.

A U.K. designed system known as Balaena, based on nuclear submarine technology, has already been offered to the industry. Now, an Exxon-designed system called SALM, for single anchor leg mooring, is making a bow. It has been proved in the South China Sea and in Saudi Arabia and Exxon has leased the system to two U.S., one Dutch and one French organisation.

One of the U.S. groups, Sofec, has set up a joint venture with Seaforth Maritime at Aberdeen.

As a result Seaforth Sofec will become the only U.K. unit with marketing rights on what may become the standard method of extracting oil from smaller, marginal fields.

A simpler version of Salm, designed by the French licensees and partly fabricated by Motherwell Bridge, is being readied for tow-out to the Thistle field. Seaforth will, however, be involved in all stages of the design, manufacture, float-out and maintenance of the Salm system.

The Salm offshore loading buoy looks like an underwater version of London's Post Office Tower. It sits on the sea bed and has an arrangement of universal joints which allow it to adopt the necessary angle to react to the mooring forces of the tanker loading alongside. It swivels at three points and can be installed in up to 600 feet of water—one in the Tembungo field in the South China Sea is in 300 feet of water.

Designers claim resistance to waves up to 40 feet and winds of 65 mph, but the crux of the design is its cost, put at between £5m. and £6m. against around £50m. for other North Sea loading/storage buoys, Seaforth asserts.

Seaforth intends to manufacture Salm components at its Aberdeen and Inverurie works under the supervision of Sofec engineers. It will be able to handle supply as well as maintenance contracts for the buoys, including above and below water engineering.

The type it is concentrating on, as in the case of the shallow-water system, is concerned only with the mooring of the vessel and not with cargo transfer. Fluid swivel and hose arm are mounted below the deepest tanker draught and these essential elements are not subjected to the high forces encountered when hose is connected to a floating buoy.

More information from Seaforth on Aberdeen (0224) 26333.

● METALWORKING

Edge grip clamp for milling

DESIGNED AS a low profile workholding tool which allows clear working surfaces for planing, milling, grinding, and general surface cutting operations where low headroom is essential, an edge grip clamp has been introduced by Carver and Co. (Engineers), Coppice Side, Brownhills, Walsall WS8 7ES (05433 4521).

The maker says that on test the clamp has shown a workholding pressure of 5,000 lb in the horizontal plane and 2,000 lb in the vertical plane. It has a double action that provides edge grip and pull down for maximum stability.

The clamps are supplied in pairs, consisting of a fixed and a moving abutment. The fixed abutment is secured to the machine table with two ⅜ in. cap head screws through the table slot. After positioning the workpiece, the moving abutment is secured on the opposite edge in a similar manner and horizontal pressure applied by a screw and nut.

Pull-down clamping is by a socket wrench adjustment of the jaws of both abutments. Price is £45 a pair.

Swedish lathe

NOW AVAILABLE in the U.K. is the S250 Computer numerically controlled lathe, made by Rebenko, of Torsballa, Sweden.

Powered by a 36 hp motor, there are five speed ranges on the spindle drive—30, 300, 600, 1,200 and 2,400 rpm. These can all be programmed for automatic change (rpm is displayed). Pneumatic or hydraulic Forkhardt chuck equipment can be supplied for the 60 mm bore spindle.

Distance between centres is 1,550 mm and swing over hed is 620 mm. Longitudinal traverse is 1,330 mm and cross traverse is 420 mm. The rear toolpost has eight positions on auto-index, and the front toolpost has four. There is a power-operated tailstock, an inclined bed, and a chip conveyor.

The MTC 10 control system is the latest CNC development from Saab, and has a storage capacity of 24-32k.

Details from Horsman Brothers (Machine Tools), Dittons Road, Polegate, Sussex BN26 6NE (3212 51451).

Shaping the tougher refractories

MATERIALS SUCH as "Dua-Plate" and "Red Diamond" plate are widely used in the mining and construction industries for earth moving equipment, chute linings and many other applications, where their high wear resistance can be exploited.

But wear resistance of these materials can present a major problem to the fabricator who has to produce components from rolled plate stock.

Plascut, known for its work in plasma-arc profiling can provide an answer to the problems of cutting and profiling such difficult materials.

Typical contracts include the cutting and fabrication of chute liners from 1½ inches thick "Dua-Plate" and coal-face cutters in ¼ inch "Red Diamond."

Use of the plasma-arc cutting system enables Plascut to supply cut components with intricate profiles, fixing holes and slots and, if required, provide starter holes for subsequent machining operations to be carried out by the client.

Plascut operates from 7 Moorgate Road, Rotherham, Yorks S60 2EG. Rotherham 73531.

● *By agreement between the Financial Times and the BBC, information from The Technical Page is available for use by the Corporation's External Services as source material for its overseas broadcasts.*

● TRANSPORT

Keeping to traditional bus design

THE NEW double-decker bus announced by Metro-Cammell Weymann (Financial Times, January 14) has reverted, in some aspects, to a more traditional design approach than, for example, the Metropolitan on which it is based.

Instead of an integral all-welded construction, the Metrobus (as it is to be called) is of semi-integral construction, with a separate chassis and bodywork. The maker says this allows much greater flexibility in choice of body type and finish, and also enables the chassis, which can be used for single deckers, to be supplied as an individual item—this is considered especially important for export.

Welding of the body panels has been replaced by rivets, which is said to simplify maintenance and repair. Some grp panels are used, mainly in sharply radiused areas.

The company describes the overall concept as "not revolutionary, but evolutionary" and says that all the components are of well tried and proven design. The aim has been to develop a reliable, long life, easy to maintain vehicle, to provide maximum fleet economy.

Overall length is 31 ft. 4 in., width 8 ft. 2½ in. and height 14 ft. 4½ in., with a wheelbase of 16 ft. 3 in., a swept turning circle of 62 ft. 6½ in., and a fully laden weight (96 passengers plus driver) of 34703 lb.

Powered by either a Gardner 6LXB developing 188 bhp at 1850 rpm, or a Rolls-Royce Eagle 220, the bus has an external noise level of 80dBA which should be within the legislation proposed for 1980. The bus can accelerate to 30 mph well within the 30 seconds normally required in service.

Head height available on both decks is about 6 ft., and the entrance/exit height is 1 ft. (from road). There are one and two door bodies available—the upper deck carries 46 passengers (seated) in both cases, but the lower saloon carries 34 and 29 respectively.

Five Metrobuses, engineering prototypes, will be entering service with the West Midlands Passenger Transport Executive, for a trial period of six months or so. The Executive has an option for a further 50 if the assessment is favourable. It is hoped to build 25 this year.

Development costs for the bus were stated to be under £1m., and the price for a fleet order vehicle is about £37,000.

More from Metro-Cammell Weymann, PO Box 248, Leigh Road, Washwood Heath, Birmingham B8 2YJ (021-327 4777), a Laird Group subsidiary.

● CONSTRUCTION

Concrete to resist attack

NORSK HYDRO'S research centre has, in collaboration with the Norwegian cement producer, Norcem, developed an additive to concrete which significantly improves its resistance to chemical attack.

Protection of concrete to prevent or reduce corrosive attacks is a problem Norsk Hydro has been working on for years. The disadvantage inherent in all methods based on protective coatings for instance epoxy or asphalt, is that the coating is easily damaged, exposing the underlying concrete. Such protective coatings are also costly to apply and to maintain.

The partners have been successful and an additive has been developed which gives a significant improvement in the corrosion-resistance of the concrete. At the same time a substantial increase in strength has been achieved.

Additive from test production has so far been used in 4,000 square metres of concrete flooring for fertiliser storages. Research has been concentrated on corrosion caused by nitrates, and for this type of environment the additive can be fully recommended. Further research now in progress in environments containing magnesium chloride, salt and calcium chloride indicate that here too corrosion resistance and strength are improved.

Further information on tests, use of the additive in various environments, terms of delivery, etc., can be obtained from Norcem, Dalen Division, 3950 Brevik, Norway, or Norsk Hydro Research Centre, Heroya, 3901 Porsgrunn, Norway.

● PROCESSING

Efficient liquid chillers

DESIGNED BY the McQuay Perfex Group in the U.S. and built by the Group's subsidiary, McQuay Europa, in Italy, a range of open drive reciprocating liquid chillers with dual speed motors is now available.

The dual speed drive allows the compressors to run at reduced rpm under partial load, which the maker says produces operational and maintenance economies and extends equipment life.

The units, which are available with capacities from 100 to 180 tons, are said to have high energy efficiency ratios (EER) at partial load. Removable evaporator U-tube bundles simplify maintenance, and the units are supplied as completely self-contained packages incorporating chiller controls and auxiliary safety components.

COMMUNICATIONS

The future for packet-switching

POST OFFICE sources indicate that the future of the Experimental Packet Switching Service (EPSS) and of its likely successor are now being resolved. Currently, 39 users are involved in the EPSS experiment, compared with the 43 with which it started.

As the system stands there is a demand for 49 packet ports, 45 character terminals are in use, 29 user terminals are at the implementation level, and the network is carrying about 150,000 user packets a day in the four hours in which users have access. This is access to a service which could speed data communications by, say, tenfold.

Now that users are gathering expertise, the proving curve is beginning to operate and there is an increase in user problems. However, some of this is expected to be resolved with Issue 10 of the system software, expected to be delivered by Ferranti at the end of this month, and with the bringing on line of the network monitoring and control processor.

The network is expected to go to full "eight-hour-a-day" operations, probably in April, day one of full formal operations—and charges—following soon after.

It is noticeable that EPSS has been losing rather than increasing its user base. This is because the users do not know what service will follow at the end of the EPSS experiment. Part of the reason has been that EPSS is not directly compatible with the new European agreed data transmission protocols and standards. EPSS call software cannot be changed to the magic HDLC/X25, though no change would be required in the basic network-independent software that users have been developing. Some 60 per cent. of users are well down the road of network independence at their side of the interface.

The successor service will be international X25-based. The P.O. strategy is to develop an X25 node on existing spare equipment which is to be moved down from Glasgow. This may take about 12 months. This should, therefore, be nicely timed to be available at about the time the EPSS experiment should end, at least on the current timetable.

P.O. sources indicate that the recent announcement about possible charges for a future packet switched service could be misinterpreted. The question of whether or not the total network service will be distance-charged has not been finally resolved.

Meanwhile, the French Industry Minister, Michel d'Ornano, has disclosed that negotiations are taking place with the U.S. and Canada on a possible link-up between the French "Transpac" packet switching system and its North American counterpart.

D'Ornano was speaking in Parliament in reply to a question on French policy in this field.

Industry sources said the Transpac network will permit low-cost "packet" switched data telecommunications, which are expected to go into service in June 1978.

● COMPUTING

Tinymachine handles huge sums

DEPARTMENT of Employment accounts currently totalling over £600m. a year are being processed on a single Logabax small business computer.

An LX4500 with 16K memory and dual floppy disc facility, valued at £15,000, has been installed in the Department's central accounting offices in Regent Street, London. The special operating programs, developed by Logabax to the Department's own specifications, are held on two of the computer's 250,000 byte floppy discs.

With provisions for up to 400 individual accounts, various collations of these into sub-totals, and summarised main headings, the installation has been designed to produce quickly a series of analyses giving comprehensive information about expenditure for inclusion in Treasury records of all Government spending. The computer will also produce statements of expenditure to enable the Department to monitor trends throughout the financial year against Government determined cash limits to be observed for broad areas of activity.

Logabax House, 1 Wesley Avenue, Acton Lane, Harlesden, NW10 7BZ. 01-965 0061.

● INSTRUMENTS

Wide range temperature indication

PORTABLE analogue temperature indicators offered by Cropico, in conjunction with a number of thermocouple sensors, allow many temperature measurement problems to be tackled.

The indicators measure only 190 by 145 by 90 mm. and their weight is 1.3 kg. Indication is on a taut band meter with a scale length of 120 mm., accuracy is within ±2 degrees C. A recorder can be connected.

There are two models in production: C2001 is calibrated for use with NiCr/NiAl couples and has a span of −120 to +1000 degrees C in 11 ranges. A cold junction is incorporated and has a deviation of less than 0.1 degree C per degree C. Type C2021 is calibrated for use with iron/constantan couples and offers measurement from −120 to +800 degrees C in nine ranges.

More information in leaflet form can be obtained from Hampton Road, Croydon CR9 2RU (01-684 4025).

● COMPONENTS

Small but powerful

FAIRCHILD Semiconductors offering a hybrid voltage re tator housed in a TO-3 pack and able to provide a full amps of regulated power at 12

The circuits used limit mum junction temperature the power output transistor provide full automatic the overload protection. If operation is exceeded, the de simply shuts down rather failing and/or damaging components. There is an imp cost reduction because expe output circuits and heat si arrangements are eliminated.

Designated 78HT2KC, device is available from and data sheets can be obta from Kingmaker House, St Road, New Barnet, Herts. 440 7311).

● SAFETY

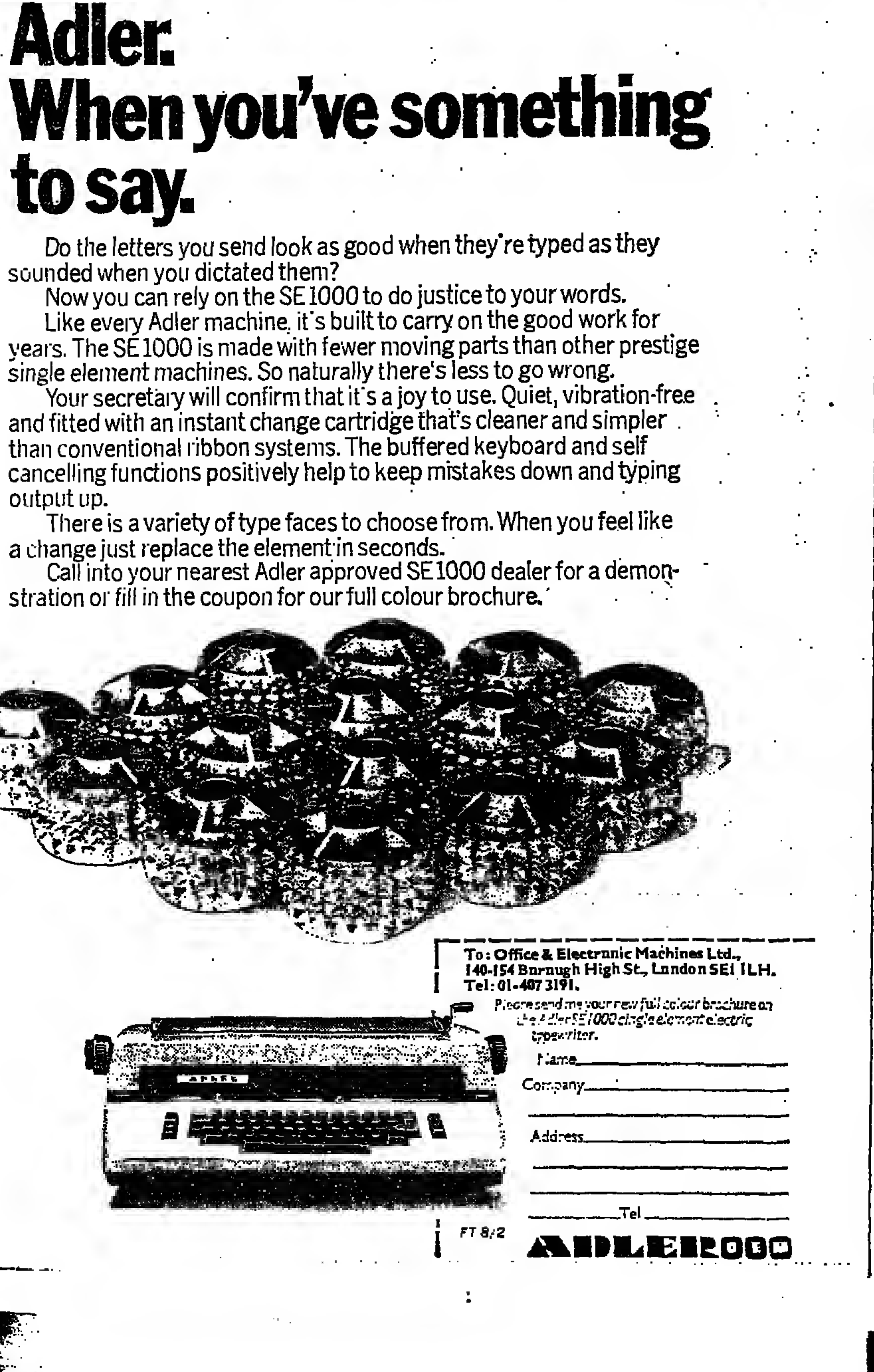
Looks at vibration on site

THOSE involved in the vi tion testing of manufactu products or in monitoring health hazards presented machine vibration might useful a portable vibr measuring set put on the m by Derritron Electronics.

Input ranges of the in mant are from 0.03 to 30 acceleration, 0.3 to 300 mm in velocity and up to 300 displacement, with accu better than four per Switched calibration for RMS or peak-to-peak is pr

A narrow band tunable or a 10 Hz to 1 kHz ban filter are fitted as standar selected by push button. A mer-designated high pass pass and bandpass filter c optionally provided. The quency response in accele mode is 1 Hz to 20kHz (–

Power is provided from rechargeable internal cadmium batteries giving 20 hours use between ch Accessories including ducers are housed in the the case, the latter meas 210 x 330 x 155mm. Weig 7kg. Sedlescombe Road N Hastings, East Sussex TN34 (0424 754321).



LEGAL NOTICES

No. 00166 of 1977

In the HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matter of THE QUEENHITHE PRESS LIMITED and in the Matter of The Companies Act, 1948.

NOTICE IS HEREBY GIVEN, that a Petition for the Winding up of the above-named Company by the High Court of Justice was on the 18th day of January 1977, presented to the said Court by JUPITER ARTS LIMITED of 28 Northwood Road, Thornton Heath, Surrey, and that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London WC2A 2LL, on the 21st day of February 1977, and any creditor or contributory of the said Company desirous to support or oppose the making of an Order on the said Petition may appear at the time of hearing, in person or by his counsel, for that purpose: and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.

WEDLAKE BELL,
5 Breams Buildings,
London EC4A 1NN
Ref: GRW/NH/JM
Solicitors for the Petitioner.

NOTE.—Any person who intends to appear on the hearing of the said Petition must serve on, or send by post to, the above-named notice in writing of his intention so to do. The notice must state the name and address of the person, or, if a firm, the name and address of the firm and must be signed by the person or firm, or his or their solicitor (if any) and must be served or if posted, must be sent by post in sufficient time to reach the above-named not later than four o'clock in the afternoon of the 18th day of February 1977.

No. 00139 of 1977

In the HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matter of PLUS FABRICS LIMITED and in the Matter of The Companies Act, 1948.

NOTICE IS HEREBY GIVEN, that a Petition for the Winding up of the above-named Company by the High Court of Justice was on the 19th day of January 1977, presented to the said Court by TEESIDE TEXTILES LIMITED whose registered office is situate at Teeside Industrial Estate, Thornaby, Stockton on Tees, Cleveland, TS17 9LL, and that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London WC2A 2LL, on the 21st day of February 1977, and any creditor or contributory of the said Company desirous to support or oppose the making of an Order on the said Petition may appear at the time of hearing, in person or by his counsel for that purpose: and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.

FIELD FISHER & MARTINEAU,
Lincoln House,
296-302 High Holborn,
London WC1V 7JL.
Ref: JFC.
Tel: 01-242 1270.
Solicitors for the Petitioner.

NOTE.—Any person who intends to appear on the hearing of the said Petition must serve on, or send by post to, the above-named notice in writing of his intention so to do. The notice must state the name and address of the person, or, if a firm, the name and address of the firm and must be signed by the person or firm, or his or their solicitor (if any) and must be served, or, if posted, must be sent by post in sufficient time to reach the above-named not later than four o'clock in the afternoon of the 18th day of February 1977.

No. 00229 of 1977

In the HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matter of NU-LOOK FLOORING COMPANY LIMITED and in the Matter of The Companies Act, 1948.

NOTICE IS HEREBY GIVEN, that a Petition for the Winding up of the above-named Company by the High Court of Justice was on the 24th day of January 1977, presented to the said Court by STAIR TREAD SUPPLY COMPANY LIMITED whose registered office is situate at Unit 10, Gardner Industrial Estate, 62 Kent House Lane, Beckenham, Kent, and that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London, WC2A 2LL on the 28th day of February 1977, and any creditor or contributory of the said Company desirous to support or oppose the making of an Order on the said Petition may appear at the time of hearing, in person or by his counsel for that purpose: and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.

PRESTONS & KERLYS,
49a The Broadway,
Stratford
London E 15.
Solicitors for the Petitioner

NOTE.—Any person who intends to appear on the hearing of the said Petition must serve on, or send by post to, the above-named notice in writing of his intention so to do. The notice must state the name and address of the person, or, if a firm the name and address of the firm and must be signed by the person or firm, or his or their solicitor (if any) and must be served, or, if posted, must be sent by post in sufficient time to reach the above-named not later than four o'clock in the afternoon of the 25th day of February 1977.

No. 00236 of 1977

In the HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matter of HOTCLOSE LIMITED and in the Matter of The Companies Act, 1948.

NOTICE IS HEREBY GIVEN, that a Petition for the Winding up of the above-named Company by the High Court of Justice was on the 26th day of January 1977, presented to the said Court by ARCHITECTS TOWN PLANNING GROUP PARTNERSHIP (a firm) of Queens House, Queens Road, Buckhurst Hill, Essex, and that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London WC2A 2LL on the 28th day of February 1977, and any creditor or contributory of the said Company desirous to support or oppose the making of an Order on the said Petition may appear at the time of hearing in person or by his Counsel for that purpose; and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.

KINGSFORD DORMAN & CO.,
13, Old Square,
Lincoln's Inn,
London WC2A 3UA.
Solicitors for the Petitioner.

NOTE.—Any person who intends to appear on the hearing of the said Petition must serve on, or send by post to, the above-named notice in writing of his intention so to do. The notice must state the name and address of the person, or, if a firm the name and address of the firm and must be signed by the person or firm, or his or their solicitor (if any) and must be served, or, if posted, must be sent by post in sufficient time to reach the above-named not later than four o'clock in the afternoon of the 25th day of February 1977.

No. 00266 of 1977

In the HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matter of ROTTERDAM REFINERY SERVICES LIMITED and in the Matter of The Companies Act, 1948.

NOTICE IS HEREBY GIVEN, that a Petition for the Winding up of the above-named Company by the High Court of Justice was on the 27th day of January 1977, presented to the said Court by ANSUMA NAAMLOZE VENNOOTSCHAP whose registered office is situate at Bredastraat 147, 2000 Antwerpen, Belgium, a company incorporated according to the laws of Belgium, dealers inter alia in steel piping, and that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London WC2A 2LL, on the 25th day of February 1977 and any creditor or contributory of the said Company desirous to support or oppose the making of an Order on the said Petition may appear at the time of hearing, in person or by his counsel, for that purpose: and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.

CRUSSMAN BLOCK & KEITH,
199, Strand,
London WC2R 1DR.
Ref: AWS 11.
Tel: 01-836 7939.
Solicitors for the Petitioner.

NOTE.—Any person who intends to appear on the hearing of the said Petition must serve on, or send by post to, the above-named notice in writing of his intention so to do. The notice must state the name and address of the person, or, if a firm the name and address of the firm and must be signed by the person or firm, or his or their solicitor (if any) and must be served, or, if posted, must be sent by post in sufficient time to reach the above-named not later than four o'clock in the afternoon of the 23th day of February 1977.

No. 00268 of 1977

In the HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matter of ANTHONY ROBERTS LIMITED and in the Matter of The Companies Act, 1948.

NOTICE IS HEREBY GIVEN, that a Petition for the Winding up of the above-named Company by the High Court of Justice was on the 27th day of January 1977, presented to the said Court by C. SEARLE LIMITED whose registered office is situate at 427 Lea Bridge Road, Leyton, London, E.10, and that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London WC2A 2LL on the 28th day of February 1977, and any creditor or contributory of the said Company desirous to support or oppose the making of an Order on the said Petition may appear at the time of hearing, in person or by his counsel, for that purpose; and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.

HERBERT OPPENHEIMER,
NATHAN & VANDYK,
20, Copthall Avenue,
London Wall,
London EC2R 7JR.
Ref: GWS 3921.
Solicitors for the Petitioner.

NOTE.—Any person who intends to appear on the hearing of the said Petition must serve on, or send by post to, the above-named notice in writing of his intention so to do. The notice must state the name and address of the person, or, if a firm the name and address of the firm and must be signed by the person or firm, or his or their solicitor (if any) and must be served, or, if posted, must be sent by post in sufficient time to reach the above-named not later than four o'clock in the afternoon of the 25th day of February 1977.

No. 00273 of 1977

In the HIGH COURT OF J Chancery Division Companies C the Matter of ENDERSBY PROP LIMITED and in the Matter Companies Act, 1948.

NOTICE IS HEREBY GIVEN, Petition for the Winding up of the named Company by the High C Justice was on the 27th day of J 1977, presented to the said Co SNOW KNIGHT SUITES LIMITED registered office is situate at 22 C Road, Southend on Sea, Essex, a C of the above-named Company, a the said Petition is directed to be before the Court sitting at the Courts of Justice, Strand, London 2LL on the 28th day of Februar and any creditor or contributory said Company desirous to sup oppose the making of an Order said Petition may appear at the hearing, in person or by his coun that purpose: and a copy of the will be furnished by the unders any creditor or contributory of Company requiring such copy ment of the regulated charge same.

ASHLEY KALMS TRAVELL,
56 London Road,
Southend on Sea,
Essex SS1 1QQ.
Ref: DW.
Tel: (0702) 354455.
Solicitors for the Petitioner.

NOTE.—Any person who in appear on the hearing of the said must serve on, or send by post above-named notice in writing intention so to do. The notice the name and address of the per if a firm the name and address firm and must be signed by the or firm, or his or their solicitor and must be served, or, if post be sent by post in sufficient reach the above-named not la four o'clock in the afternoon 25th day of February 1977.

No. 00295 of 1977

In the HIGH COURT OF J Chancery Division Companies C the Matter of EARLS & WI LIMITED and in the Matter Companies Act, 1948

NOTICE IS HEREBY GIVEN. Petition for the winding up of the named Company by the High C Justice was on the 31st day of J 1977 presented to the said Court b DEPARTMENT OF HEALTH SOCIAL SECURITY of State House Holborn, London, WC and that th Petition is directed to be heard the Court sitting at the Royal C Justice, Strand, London, WC2A 2L 7th day of March 1977, and any or contributory of the said Co desirous to support or oppose the of an Order on the said Petitio appear at the time of hearing or by his Counsel for that purpo a copy of the Petition will be fu by the undersigned to any cre contributory of the said Company ing such copy on payment regulated charge for the same.

M. W. M. OSMOND,
State House,
High Holborn,
London, W.C.1.

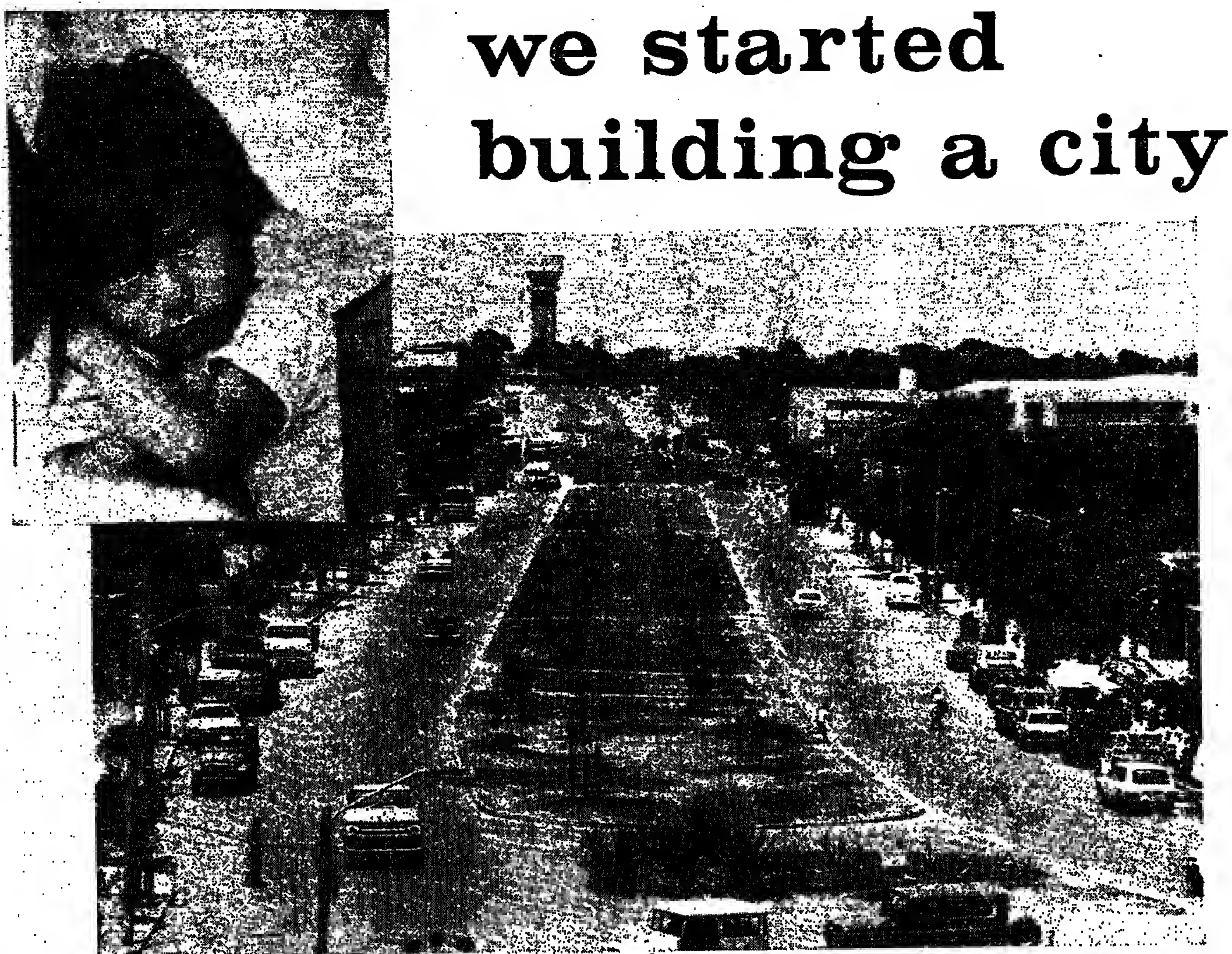
NOTE.—Any person who int appear on the hearing of the said must serve on, or send by post above-named notice in writing intention so to do. The notice mu the name and address of the pe if a firm the name and address firm and must be signed by the or firm, or his or their solicitor and must be served, or, if posted be sent by post in sufficient reach the above-named not la four o'clock in the afternoon 4th day of March 1977.

LEGAL NOTICES ARE CONTINUED ON PAGE

مكتفا من الاصل

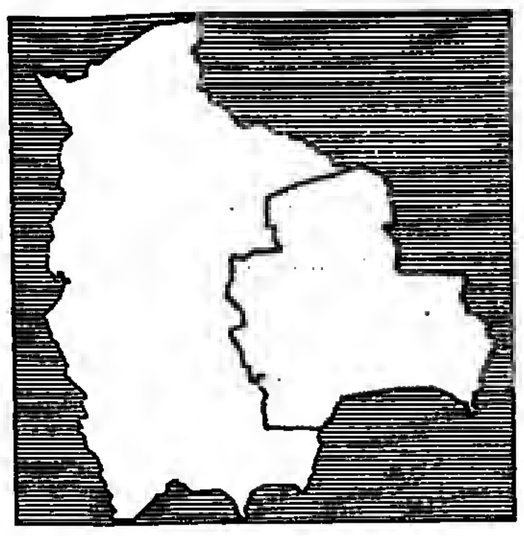
THERE IS A YOUNG PEOPLE FOR WHOM

we started building a city



It's been necessary to work fast and hard to create the whole urban plan and infrastructure for a city which grew from 42,746 inhabitants in 1950, to 81,862 in 1960, to 255,568 in 1976. We estimate reaching 835,306 inhabitants by the year 2000 in Santa Cruz.

SANTA CRUZ



Santa Cruz is the largest Bolivian Department with enormous savannas suitable for extensive agriculture and cattle raising.

It is also rich in oil and natural gas fields whose production has made Bolivia an exporter of these energy sources. Only a very small part of the territory has been explored. A steel mill complex (MUTUN) is to be built on the south-east corner near the iron and manganese deposits which are estimated at 40,000 million tons—the largest known in the world.

The Comité de Obras Públicas developed in Santa Cruz's capital the first urban plan and industrial park in the country. Here will be concentrated large and medium-size regional industries with all the necessary services to reduce operational costs.

now we organize a prosperous region

THE C.O.P. FACING REGIONAL DEVELOPMENT

The Comité Departamental de Obras Públicas of Santa Cruz (Public Works Committee) is one of the principal protagonists of this process of change.

Its own institutional transformation as an autonomous organisation for regional development, testifies to its adaptation to changing circumstances and its capacity to perform a leading role in economic planning.

Having an average income of 20 million dollars per year from oil royalties and other internal taxes, the Comité built the urban infrastructure and sanitation system of Santa Cruz's capital and provinces.

In a second phase the Comité went on to identify essential productive projects in rural and urban areas. With its investment programme it aims to facilitate basic regional industrialization and activate deprived areas with new communication routes and other essential services. To do this the Comité intends to form mixed societies with local and foreign private investments.

This institution has recently created a regional economic planning Office. Its starting point was elaborating a series of area diagnoses of the economy, then followed by a strategy for the development of Santa Cruz during a 10-year period. Recently it has concluded a five-year investment plan (1976-80) with special emphasis on strategic industries and services to induce economic take-off.

The budget of the Comité de Obras Públicas went up from 6 million dollars in 1973 to 30 million in 1976. The needs, however, are greater than the available resources and the Comité has received foreign financial assistance to complete these projects.

Its technical expertise and economic capacity has opened channels of finance in several well-known international creditors: Interamerican Development Bank (IDB), Corporación Andina de Fomento (CAF), Bank of America, etc.

HOW DID IT HAPPEN IN 10 YEARS

Santa Cruz de la Sierra is the major city of the subtropical plains of Bolivia.
With a population in excess of a quarter million, it is surrounded by one of the most fertile areas in the world.
Besides its attraction of new capital and human resources, the dynamic growth of the Santa Cruz region is based on the following:

abundance of oil and natural gas fields now in production and exportation,

expansion and mechanization of farming and cattle raising,

development of export-oriented agroindustries supported by an efficient financial structure,

opening of new areas to colonization and farming near expanding central markets,

construction of road and railroad networks as well as international airports to facilitate trade with the whole world and

organization of an institutional framework to direct development with clear objectives, technical expertise and economic solvency.

The Gross Regional Product of Santa Cruz grew at a rate of 7.8% during the period 1971-76, while the Gross National Product reached an annual growth rate of 5.7%.
The regional per capita income is about 70% higher than the national.
The sustained increase in economic growth indicates continued favourable prospects of success in our development goals.

MAIN REGIONAL INVESTMENT PROJECTS
1976 - 80

		Capacity	Investment US$ million
Fábrica de Cemeoto	Cement Factory	35,000 tons per year	60
Hilanderia de Algodóo	Cotton Mill	1,000 kg. per hour	31.2
Fábrica de Envases de Hojalata	Can-Making Plant	13 million cans/year	3.0
Fábrica de Papel	Paper Mill	45,000 tons per year	45.0
Fábrica de Alimentos Balanceados	Food Mill	4 tons per hour	1 0
Fábrica de Queso	Cheese Factory	1.500 litres per hour	0.7
Alcantarillado de Santa Cruz	Sewage system—Santa Cruz		40.0
Parque Iodustrial	Industrial Park of Santa Cruz		12.0
Complejo Manicero	Corn mill and silos	76 tons per day	2.7

PROJECTS WITH NATIONAL IMPACT

South-east development pole in " El Mutun " based on a steel mill complex using natural gas from Santa Cruz as source of energy.

An estimated 40,000 millions tons of iron and manganese reserves.

Hydroelectric and irrigation project of 1 million acres in RIO GRANDE-ROSITAS. Includes colonization and road construction programmes.

VIRU-VIRU International airport for interoceanic flights.

our goal is bolivia's development

COMITE DE OBRAS PUBLICAS
SANTA CRUZ

COMITE DE OBRAS PUBLICAS
SANTA CRUZ DE LA SIERRA - BOLIVIA

P.O. Box No. 218 Telex 5667 COOPP BX – CALLE WARNES ESQ. LA PAZ, SANTA CRUZ, BOLIVIA.

PARLIAMENT

Devolution: Tories to over-rule Whitelaw

By Richard Evans, Lobby Editor

THE SHADOW Cabinet is expected to-morrow to over-rule Mr. William Whitelaw, Conservative deputy leader, over his support for a referendum question on Scottish and Welsh independence.

There was evidence last night that some colleagues, particularly Mr. Francis Pym, shadow spokesman on devolution, were extremely irritated by Mr. Whitelaw's comments at a Swansea Press conference on Friday which appeared to commit the Opposition to a second referendum question on the issue of separatism.

The official Tory position is likely to be critical of the Government's tactics in bringing forward the Commons debate on the referendum issue out of sequence, but to support the Government's proposal for one question on the devolution Bill passed by Parliament.

The hope of Mr. Teddy Taylor, shadow Scottish Secretary, and other shadow Ministers, is that if the referendum takes place next November as planned, the Tories will be the only party advocating a "No" vote. Labour MPs would have no alternative but to back a "Yes" vote for the devolution proposals along with the Scottish National Party.

A group of over 50 Labour MPs has tabled a Commons motion advocating a second question on independence on the grounds that this would be voted down overwhelmingly and would isolate the SNP.

Mr. Michael Foot, the Minister with responsibility for devolution, has made it clear he would accept the will of the Commons if it wanted a second question. But Mr. Callaghan is hostile to the idea on the grounds that as this would involve the unity of the U.K. there would be tremendous pressure for the English to have a vote as well.

Without Tory support, there is virtually no prospect that a question on independence will be agreed and this will make more difficult the Government's task of getting its guillotine through. Many of the Labour MPs in favour of a question on separatism have said they will not support a guillotine unless this concession is agreed by the Government.

Beer price study by Ministers

By Kenneth Gooding, Industrial Correspondent

BREWING INDUSTRY profits last year, in real terms, were well below those for 1972, the Brewers' Society claimed last night.

The brewers produced their statistics at a time of growing criticism about the way beer prices have been rising while companies have been reporting substantially increased profits.

Within the next few days, Ministers must decide whether to support Prices Secretary, Mr Roy Hattersley, who is determined to refer beer prices to the Price Commission.

He is opposed by Mr. John Silkin, Minister of Agriculture, who takes the view that such a reference would threaten investment and jobs in the industry.

The Brewers Society *said* last night that it had analysed the performance of seven major companies which, between them, accounted for around 40 per cent. of U.K. beer sales.

This exercise showed that in real terms, after allowing for the effects of inflation, their total annual taxable profits from 1972 onwards were £129.1m.; £135.1m.; £109.2m.; £98.3m. and £100.4m. respectively.

Similarly, the return on capital employed from 1972 for the seven companies was 13.4 per cent., 12.5 per cent., 11 per cent., 11.2 per cent. and 12.3 per cent.

"Therefore, those companies were not back to the 1973 level of real profits last year and it was only in 1976 that there was a slight improvement in return on capital which might hold out the promise for investment," a Society spokesman declared.

Hattersley hopeful on inflation

By John Hunt

A SLACKENING in the rate of inflation now that the sterling exchange rate has stabilised was foreseen by Mr. Roy Hattersley, Prices Secretary, in the Commons yesterday.

"What has happened is that the depreciation of sterling has worked its way through to domestic prices. Now that sterling has stabilised, I think the position will improve. I think the trade unions are wise enough to remember that," he declared.

During Question Time, some MPs interpreted the recent report of the Price Commission to mean that inflation could be at 19 per cent. during the coming year. But this suggestion was dismissed by Mr. Hattersley.

Shock one-vote defeat on redundancy Bill

BY IVOR OWEN, PARLIAMENTARY STAFF

A SHOCK one-vote defeat when the Reduction of Redundancy Rebates Bill was rejected on second reading by 130 votes to 129 rocked the Government benches in the Commons last night.

It was the first significant reverse for the Government's legislative programme sustained on the floor of the Commons in *the present Parliament and seemed to stun* the Opposition benches almost as much as Labour MPs.

No leading member of the shadow Cabinet was on the Opposition front bench to call for a statement from the Government on the implications of the defeat and it was left to Tory backbenchers to produce a few desultory shouts of "Resign."

Mr. Michael Cocks, Government Chief Whip, seemed angered and dismayed by the loss of the Bill, which was designed to have cut public spending by £18,250,000 in the coming financial year. This saving formed part of the package of spending cuts announced by Mr. Denis Healey, the Chancellor of the Exchequer, in July.

The provisions of the Bill would have reduced the rebate payable to an employer from the redundancy fund in respect of redundancy payment from 50 per cent. to 40 per cent.

They were strongly condemned by Mr. Berney Hayhoe, a Conservative employment spokesman, who contended that such a miniscule saving suggested "economics gone mad."

It made no sense to impose a payroll tax on industry and claim at the same time that such a minor reduction in redundancy rebates would help industry. "As far as public expenditure is concerned, the arguments *for this Bill are largely nonsensical*," Mr. Hayhoe declared.

Mr. Harold Walker, Minister of State for Employment, who moved the second reading, underlined the Bill's role in the package of cuts announced by the Chancellor which had been deliberately constructed to spread the burden with the least possible damage.

Meriden needs chance to prove itself—Varley

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT

THE NEW package deal of assistance for the Meriden Motorcycle Co-operative, including £1m. from GEC, received a general welcome in the Commons yesterday with Mr. Eric Varley, Industry Secretary, asking MPs to give the scheme a "fair opportunity" to prove itself.

The *Conservatives*, however, approached the matter gingerly. Mr. John Biffen, shadow Industry Secretary, wanted more details but declared: "We believe there are circumstances in which worker co-operatives and industrial common ownership can be wholly consistent with the principle of a market economy."

Mr. John Pardoe, Liberal economic spokesman gave the proposals a warm welcome, but stressed that the long-term viability of the co-operative would depend on its success in producing a new line of motorcycles.

MPs on the Left-wing of the Labour Party were understandably pleased that the venture had been rescued. But they were suspicious of GEC's entry into the field and wanted assurances that this did not mean that the co-operative would be dominated by a free enterprise company.

Mr. Varley told the House that on the production side the co-operative had made a promising start but had not been able to demonstrate its ability to create the necessary conditions for long-term viability without further support from public funds.

The Government believed that this "valuable and interesting experiment" should be given a fair opportunity to prove itself.

The co-operative had told him that the scheme would provide it with an opportunity to determine its own success and that it offered an adequate basis to tackle the *immediate future*.

Some Tories scoffed when the Industry Secretary confirmed that Lord Stokes, former British Leyland chief, had agreed to act as consultant to the co-operative in North America and on other international sales.

Mr. Varley also explained that the Industrial Development Advisory Board had considered the scheme and decided that "on balance, recognising the inherent *risks*" the proposals merited support provided the Government's commitment was strictly limited.

Mr. Biffen wanted to know what consideration had led Sir Arnold Weinstock, of GEC, a leading "apostle of capitalism" to provide support when the Department of Industry had been unwilling to do so itself. He also wanted Mr. Varley to elaborate on the Government decision to defer interest payments due from the co-operative for the period up to December 31, 1978.

In addition he called for further information on how the Government intended to comply with the condition of the Industrial Development Advisory Board that the commitment should be strictly limited.

Mr. Varley replied that many of these matters would have to be answered when the order implementing the package came before the Commons. The commitment of GEC arose, he said, out of the real progress which the company believed had been made by the Meriden co-operative.

On the question of the sums being deferred, he said that this amounted to five instalments involving a total of *£1.05m.*

Labour Left-winger Mr. Dennis Skinner (Bolsover) maintained that some aspects of the deal were intriguing. He wondered if the Minister could shed a little light on the question of the rights issue of £163m. which GEC had been able to get recently.

He also wanted more information on the question of a proposed merger, the Drax B delay, and the delays affecting other sectors of the power station construction industry.

"Can it be that the Weinstock involvement in the Meriden affair is a sprat to catch a mackerel?" he asked.

Mr. Varley told him that these matters had not come into the discussions.

Mr. Michael Grylls (C., Surrey NW) recalled that a report of the Public Accounts Committee had commented on the lack of effective marketing and professional management at the co-optive. He wondered whether the new arrangement with GEC would fulfil this need, and asked if GEC would be getting a commission on the sales of the motorcycles.

The Secretary of State, however, firmly refused to be drawn on this. "It is a matter for commercial discussions between the co-operative and the GEC. It would be wrong for me to reveal them to the House this afternoon," he said.

Labour executive urges party unity to keep out Tories

BY RUPERT CORNWELL, LOBBY STAFF

LABOUR'S National Executive Committee, so long a critic of Government's *policies*, last night offered a peace plan to send the party united into the next general election.

The proposals, approved at a meeting of the NEC's Home Policy Committee under the chairmanship of Mr. Anthony Wedgwood Benn, the Energy Secretary, will be debated at the joint session of the executive and the Cabinet on February 16.

The peace *document* is remarkably frank about the deep divisions between the two camps, but equally honest about why conciliation is vital—the threat of a Conservative electoral victory which might be very hard to reverse.

The Left-dominated NEC has been at increasing odds with the Government since Labour regained power almost three years ago. But it now urges a common platform so that the party conference this autumn can present a united front to the country.

The document, entitled "Agenda for agreement," argues that time is not on Labour's side, and warns of *the damage* done to the party's standing by repeated public quarrelling at its summit. "It is difficult to overstate the importance for Britain and the movement of Labour winning the next election," it adds.

"Quite apart from the immediate danger posed by the Thatcher brand of Toryism, there is a very real possibility of a repeat of the 1951 defeat for Labour, with North Sea oil this time playing the part of defence cuts and the improved terms of trade of the '50s. A Tory Government in the 1980s might be very difficult indeed to shift."

The formula advocated by the Home Policy Committee is of small meetings between Cabinet and NEC members on specific issues. These would replace the present "vague" general policy discussions, at which over 30 people are often present.

Many speakers at last night's meeting emphasised that the biggest hurdles to be overcome before agreement could be reached concerned unemployment and prices, and some also advocated cuts in taxation, especially at the bottom of the scale.

According to the document, the NEC would never accept that a Labour Cabinet is simply helpless in the face of world economic forces.

A separate paper, also to be examined at the joint meeting, will emphasise that other remedies including import controls—a plank of the Left's alternative strategy—must be considered as well.

Honours List claim: Statements by Wilson and Lady Falkender

THE ARGUMENT over Sir Harold Wilson's resignation Honours List included a statement to reporters from Lady Falkender written on two pages of Houses of Parliament notepaper with lines drawn through the crest. This stated: "I am sorry I cannot see you. As has been explained to you, I am in bed with a slipped disc. I have no comment to make on Mr. Haines's wild and intemperate statements. Probably he feels such sensationalism will sell his book.

"I will add only two things as way of illustration of him. Mr. Haines has the dubious distinction of having had a glass of whisky thrown all over him by a colleague, in a meeting at which the Prime Minister was present, because of the abusive and intemperate language he had used.

"I rescued his coat and cleaned it down for him in the Prime Minister's bathroom."

Lady Falkender, the former Mrs. Marcia Williams, added: "Mr. Haines also had the added dubious distinction of having broken a telephone receiver because of the strength of his temper, when he had finished a call to a member of the Press.

"But Mr. Haines often had an unhappy manner with his Press colleagues.

"I am sorry Mr. Haines felt he had to write as he did. His statements are wild and inaccurate and reflect poorly upon someone who was supposed to be a loyal and trusted adviser to Sir Harold Wilson."

The statement was handed to reporters by Lady Falkender's sister, Miss Peggy Field, who became an MBE in Sir Harold's resignation honours list last May.

Later, Sir Harold issued the following statement:

"The statements printed in to-day's Daily Mirror are a set of so-called revelations, most of those printed so far representing a farrago of twisted facts and alleged events that did not happen except in fevered imagination—obviously a dedicated hatchet job.

"I have never been accused of having a poor memory and they did *not* occur. I can, *however*, confirm the Balogh story, which was quite funny. The statements about the resignation Honours List, and reproduced in other papers, are false.

"The facts are as I set them out last June. The list was drawn up by me, apart from some names suggested by Transport House at my request, and written down by Lady Falkender. The other names were written by me on a card in a notecase I always carry with me. The card still exists.

"The reference in Joe Haines's book, serialised to-day, to lavender-coloured notepaper, is obviously based on indirect experience. I read out my list which she added to the Transport House names for handing to the *Principal Private Secretary* at No. 10 as a consolidated list.

"I later learnt some days after both Joe Haines and I had left No. 10 that one page of this list was extracted and sent to a national newspaper.

"I was authoritatively told *that, in addition, the typed document*, which formed the basis for the main story in a Sunday newspaper, was itself prepared two *days after we had left Downing* Street. Joe Haines could not have known of this since, presumably, he had no continuing contact in No. 10.

"The list was mine and at all times prepared by me. It is true that from time to time, though not on this *occasion*, I invited suggestions from a number of people at No. 10 over the years. Joe Haines suggested far more names for inclusion in successive lists than Lady Falkender.

"The remarkable thing is the timing. Most of the alleged No. 10 incidents occurred in the 60s. No attempt was made to write a book in the three-and-a-half years we were in opposition in 1970-74, when I kept Joe Haines on, paying his salary out of my own pocket, non-deductible.

"I did not offer to keep him on in 1976. I could not have afforded anything like his previous salary. I did, however, *speak* on his behalf, after leaving No. 10, to the head of a large newspaper publishing business, who agreed to offer him a Press job of considerable responsibility.

"Shortly after Easter, the man in question told me he had had heard rumours of the forthcoming book and said that if this was true it would point a degree of disloyalty he would not care to have in his own organisation.

"If Joe wanted a peg on which to criticise me, he could have done it more simply and briefly. I have more than once said I have made two or three appointments which turned out badly.

"In the case of Joe Haines, I loyally backed him when he was under attack by *Pressmen*, sometimes with justification. The charge of expecting a corresponding loyalty in return is one I accept. I do not presently intend to comment on each day's serialisation, but reserve the *right* to comment at the end."

Europe poll Bill date refused by Minister

By Ivor Owen, Parliamentary Staff

LIKE HER EEC partners, Britain is only committed to using her "best endeavours" to enact legislation authorising direct elections to the European Parliament by May-June, 1978, Mr. Brynmor John, Home Office Minister of State, insisted in the Commons last night.

Despite angry Opposition protests he refused to name a date for the introduction of the Bill, which will authorise the establishment of 81 Euro-constituencies in Britain.

But the *Minister* recalled that a Bill providing for direct elections to the European Parliament had been included in the Queen's *speech* and stressed: "That commitment to introduce legislation in this session we have no intention of abandoning."

His declaration *did* little to satisfy critics on the Opposition benches who pressed the need for urgent action if the Bill is to be carried through all its stages. Their argument was reinforced from the Labour backbenches by *Mr. Michael Stewart*, former Foreign Secretary.

Mr. Michael Grylls (C., Surrey NW) demanded: "Is the Bill now ready?"

There were *despairing* gestures from the Conservative benches when Mr. John enigmatically replied: "We are considering the form, nature and content of the Bill." The Government's "major commitment" was to use its "best endeavours" and this was being done, he maintained.

But to Mr. Douglas Hurd, another Conservative front-bench spokesman on foreign affairs, this amounted to saying "The Government's best endeavours are nothing."

Mr. John refused to accept this interpretation, arguing that the latest report by the Select Committee which had examined all the issues involved in direct elections had been published only two months ago. He indicated that the Government had already decided that the important constitutional changes necessary should be made in one Bill and not two, as had originally been envisaged by the committee.

Mr. Hugh Dykes (C., Harrow E.), moving a Private Members' motion, pointed out that failure to bring the Bill forward at the earliest opportunity might prevent direct elections taking place in any of the nine member States of the EEC. If the May-June, *1978*, timetable was to be met, the Government would have to press ahead without any further delay, he argued.

Supporting this view, Mr. John Davies, shadow Foreign Secretary, questioned whether the delay in introducing the legislation was due to timing difficulties within the legislative programme or, as some suspected, deeper and more devious *reasons*.

"There is still enough time to undertake this operation—but only if the Government shows that degree of resolve which it should, having regard that the only alternative is to break its word."

Mr. Davies warned that if Britain were to be in breach of her undertakings in respect of direct elections, there would be damaging consequences in many fields, including agriculture and fishing policy, and the establishment of a sympathetic collective EEC attitude to Cyprus and Rhodesia.

The debate ended with the Minister "talking out" the motion moved by Mr. Dykes.

TV licence increase

TELEVISION licence fees will go up *this year, but* there will be no advance warning. This was made clear by Mr. Merlyn Rees, Home Secretary, in a Commons written reply yesterday.

Mr. Rees told Mr. Andrew Faulds (Lab., Warley E): "As to the date of the next increase, I have made no decision. It is clear that the finances of the BBC will necessitate increases before the end of this year.

LABOUR NEWS

Launching a £100,000 appeal yesterday for the Museum of Labour History, opened in 1975 at Limehouse Town Hall, are (left to right) Mr. Jack Jones, general secretary of the Transport and General Workers' Union; Mr. George Woodcock, former *TUC general secretary and president* of the museum; and the Rt. Rev. Trevor Huddleston, treasurer of the appeal fund.

Ferranti considers demands on proposed planning agreement

BY ALAN PIKE, LABOUR STAFF

DETAILED DEMANDS on a proposed planning agreement with Ferranti have been submitted to the company by the Confederation of Shipbuilding and Engineering Unions.

Discussions on the implementation of the agreement have been in progress between unions and management of the State-aided company for many months and the company is now considering the document from the confederation which states the union position.

The confederation has identified four areas in which it believes the fullest information on company activities must be made available to employees. These are investment, including timing and location, imports and exports, pricing policy, and Government grants and loans.

Confederation leaders are also demanding a closed shop for manual workers, and special facilities provided for shop stewards.

They are insisting that consultative committees established under the agreement should be based around the company's present geographical negotiating structure, that all trade union representatives on committees should be elected rather than appointed, and that unions should have joint chairman and secretaryship with management.

The company has yet to reply to the confederation's claims.

Mail row flares in Commons

INDUSTRIAL ACTION by Po Office workers was again th subject of a row in the Common yesterday.

Mr. Norman Tebbit, Conserv tive MP for Chingford, in emergency question to Mr. Er Varley, Industry Secretary, ask what the Minister was doing help resolve an unofficial dispu in East London about Po Office plans to cut overtime recruiting more staff.

Britain had experienced mo interruptions in the delivery mail in the last three years th in the previous century and quarter, Mr. Tebbit said.

He asked the Minister if would advise Mr. Tom Jacks general secretary of the Uni of Post Office Workers to ensu mail was delivered to the peo of East London than "parade conscience by stopping delivery of mail to South Afri

During the exchanges, Tebbit called Mr. Varley, liar," a remark which Speaker later forced him withdraw amid uproar.

The Post Office urged cu mers not to post letters parkets for any of the Lon eastern districts E1-E18.

Yesterday police were ca to escort postmen from Eastern District sorting offi Whitechapel where the disp hes occurred. The men refused to leave.

TGWU criticised by Leyland Cars

BY ALAN PIKE, LABOUR STAFF

LEYLAND CARS management yesterday criticised the Transport and General Workers' Union for supporting a group of workers who are demanding to be made redundant rather than move to new jobs.

The company's Castle Bromwich Birmingham body plant was at a near-standstill by last night because of a dispute involving 32 men who refuse to be transferred from the paint shop, which is being run down.

A wide range of Leyland models faces disruption if the Castle Bromwich stoppage—the third at the factory within a week—is prolonged.

Leyland said in a statement yesterday that the 32 men had refused to move to other jobs on the same rate of pay. Instead, they were demanding, with the apparent support of the TGWU, that they should receive redundancy compensation.

"With such heavy current unemployment in the U.K., it would obviously have been a matter of concern to us to have declared redundancies."

"But for the union to support a demand that men be paid redundancy compensation when work is available without loss of pay is, to us, inexplicable."

The company warned that if its plans to reconstruct Leyland Cars to produce new models and facilities were to be accomplished, the attitude exemplified by the Castle Bromwich dispute "must be changed and changed quickly."

After refusing alternative jobs, the 32 men were sent letters of dismissal. This provoked a walk-out by another 1,300 production workers who yesterday picketed the plant and said they would stay on strike until the dismissal notices were withdrawn.

The new walkout came as 1,500 Castle Bromwich workers were being recalled after another strike, involving 300 press operators had been settled.

Elsewhere in Leyland Cars, production at the Triumph factory in Coventry remained at a standstill for the second week yesterday, with 3,200 men idle, because of a dispute by paint shop workers over time-and-motion exercises.

Glasgow talks fail to end airport strike

GLASGOW AIRPORT remai closed yesterday after talks end the strike by 36 firemen o a manning dispute failed.

More than 94 flights into out of the airport, includ British Airways' shuttle serv were cancelled, forcing ab 9,000 passengers to find alte tive travelling routes.

Yesterday's talks, which volved the firemen's s stewards and officials from other unions at the air failed to make any progress.

The airport management expected to hold talks senior officials of the Trans and General Workers' Ur which represents the fire either *to-day* or *to-morrow*.

The firemen claim that have insufficient staff to c out all the safety duties at airport.

They are due to meet agai Thursday to consider wheth continue with their action.

'Keep union full-timers off Boards'

BY JOHN ELLIOTT, MANAGEMENT EDITOR

FULL-TIME trade union officials should not become members of reconstituted company Boards of directors under a Bullock-style system of industrial democracy, said Mr. Clive Jenkins, general secretary of the Association of Scientific Technical and Managerial Staffs and a member of the Bullock Committee, *yesterday*.

He said union officials would not generally be able to become part of the group of employee representatives under the Bullock Committee's "2X + Y" formula."

Responding to misunderstandings by some industrialists on this point, he went further and said they should not even be co-opted as part of the independent "Y" grouping.

Speaking at a British Institute of Management conference in London, he said: "Trade union officials should not seek to become involved in company management structures but should stand aside. The unions should take on a new *character*.

"They should be ready to advise their members' representatives and generally become more expert."

Mr. Jenkins told the 300 managers attending the conference that there was an "historical inevitability" about the moves towards worker directors.

He stressed, echoing a line advocated last *week* by Mr. Albert Booth, Employment Secretary, that companies should be encouraged to negotiate their own worker-director arrangements. The Bullock formula could then be regarded as a "minimum statutory fallback."

Mr. Norman Biggs, former chairman of Esso and of Williams and Glyn's Bank, and one of the three industrialists who produced the Bullock minority report, said that the opportunity created by the Bullock Committee for debate on industrial democracy should "not be allowed to peter o bitter recrimination *and* deb

The majority Bullock vi

Page 13

Pit pay vote

UNION delegates of the 3 Nottinghamshire miners t will vote on a resolution dem ing £135 a week for coa workers, backed with the t of industrial action. If pa the resolution would go to National Union of *Minewor* annual conference in July.

SNOW REPORTS

	Depth (cms.) L	U	State of Piste	Weath
Courmayeur North slopes powder to varied.	150	265	Good	Fi
Crans-Montana New snow, excellent skiing.	200	300	Good	Fi
Davos New snow on good base.	80	215	*Good*	Fi
Kitzbuhel Skiing best above 1,300 m.	50	150	Good	Fi
Lermoos *Good skiing on upper slopes.*	35	140	Good	Fi
Les Menuires	65	248	Good	Fi
Murren Avalanche danger upper slopes.	80	284	Good	Fi
Seefeld New snow on good base.	35	95	*Good*	Su
Solymieve Spring snow on upper slopes	15	160	Good	Fi
Verbier Conditions varied, top runs closed.	40	140	Fair	Fi
Villars New snow on good base.	45	145	Good	Fi
Voss *New snow on hard base.*	75	90	Good	

Above reports supplied by repr tives of the Ski Club of Great Bri

SCOTLAND

Cairngorms: Main runs and slopes all complete, new snow w patches.

Glenshee: Main runs all complete snow on a firm base. Lower ample nursery areas, new snow firm base.

Glencoe: Main runs all complete snow. Lower slopes, ample areas.

Forecast: Mostly dry and Freezing level 3,000 feet.

NUR merger rejected by other rail unions

THE AMBITION of the National Union of Railwaymen to lead a combined rail union was rebuffed by its intended partners at the first formal amalgamation talks yesterday.

Both the *footplatemen's* union, ASLEF, and the staff union, TSSA, rejected the NUR's proposal to create a joint executive on which the NUR, by virtue of its numbers, would have had the majority voice.

Although described by the NUR as *a* federation, this proposal clearly looked too much like a takeover to the other two unions. Instead it was agreed at a meeting of union presidents and general secretaries to set up a working party to see how relationships could be strengthened, particularly in pay bargaining for overlapping groups of railway workers.

Mr. Sid Weighell, NUR general secretary, who was apparently encouraged to go forward with the plan after informal contacts with the other unions, was not available for comment yesterday.

The suggested formula was that the NUR with its 180,400 members would have reduced its 24-man *executive to 12*. The other 12 seats would have been divided 7.5 or 6.6 between the TSSA (74,300 members) and ASLEF (29,000).

The Management Page

EDITED BY JOHN ELLIOTT

LLOCK REPORT

The majority view

BY CLIVE JENKINS

S OBVIOUS that the powers ch used to go with owner- of great companies have ly been ceded to a very ruling *managerial* con- ling group. In a number the authority has been rped but, in most, it has ly been sapped away. Their ual general meetings have within human memory, n occasions for the settling nor even for a radical nation of the annual

he *personal* and *family* uences even in a company large as GEC are clear and dent; the Rank *family* rests can also be identified, differences in boardrooms m now to result not from or divisions on policy but r takeover bids or individual cadilloes.

n the trade unions, on the trary, the discussion (and anonymity) of the board- m are fortunately not avail- e. A clash of doctrine or difference on tactic takes ce in a meeting in the car k or in open exchange at public conference. The ument of the Bullock jority report is that the sent administrative and wer relationship in com- ies is a yellowing, sepia- ed snapshot of relationships they used to be when entre- eneurs, who had mastered ry skill and procedure, took sions bounded only by their acity to finance them.

The situation to-day is that ry major enterprise involves *co-operation* between chine and muscle, skill and thematics, marketing and ence and managerial capa- y to estimate future develop- nts. To this essential mix *capacities employees at every* el have a precise and quanti- le range of contributions to ke.

Just as the share of the nestic product produced by largest companies ac- lerates every year or so, n more rapidly does the re of companies held as an estment by financial institu- ns, and most significantly, by ever gushing stream of ployee contributions as co- ced savings in occupational sion schemes. This may be y there is a despairing empt to resist the Govern- ot's proposal for trades ionists to have half the stees seats controlling sion funds, which are rely reservoirs of deferred

he legitimacy of the demand for seats in the Boardroom is self-evident and I estimate that, after time-wasting and passion-rousing argument, the triggered *process for the entry* of true employee representatives will commence not later than *January 1, 1979*.

It is obvious (and I have been told so quite directly by three large and disparate companies) that our largest companies in manufacturing, commerce and finance have been anticipating this for some time and are preparing contingency plans. This does not mean that their salaried propagandists or jaded employers' federations will not go on arguing long afterwards about the dogma because someone, somewhere, will have forgotten to call them to heel. But what is the reality? If the effective date of a statute *is* January 1, 1979, it would be a reasonable presumption that the Industrial Democracy Commission proposed in the Bullock report would have to set up not less than six months earlier and could have produced by then a suitable Code of Practice to deal with any grey areas or problems identified by the majority report which it was acknowledged should be left for constructive agreement within the enterprise. But who might pull the trigger first?

Middle manager

The top hostile directors who control our major companies (and I put them at no more than 4,000 strong) are now, oddly enough, claiming to be defending the interests of the so-called middle manager. My own very rough definition of a middle manager is someone who earns between £6,500-£10,000 per year in gross salary but excluding fringe benefits.

These admittedly approximate figures, derive from existing boundaries *in bargaining units* in both private and public concerns. It is, by the way, frequently over-looked by those who assert a right to speak for the middle manager that almost all those in the public sector are already in trade unions, and that there are more middle managers in the private sector who belong to unions than pay *subscriptions* to all the bodies now claiming to speak for them.

I predict that the groups *most likely to want* to play a part in Board decisions include, in the vanguard, white collar workers, middle managers, teams of highly skilled people in technically advanced industries, and entire staffs in banking and insurance. These are *the sort of people who have* both the confidence that they can make an impact on company policy and the desire to do it—based upon their own critique of their companies' progression. It seems odd that the exclusion of financial institutions such as banking and insurance companies should be demanded in the minority Bullock report on the thinnest possible grounds. This case was never seriously argued in any way in the whole of *the Bullock committee investigations* and was even specifically argued for by the Swedish *and* German bankers who were interviewed at length by the Bullock committee at the suggestion of British bankers.

This brings one to the skills of *the existing Boards* and the phenomenon in some companies of a small group of genuine career *directors who get there* after a life-time of service and then end up being a party to the *co-opting of external* directors of mediocre quality and sometimes with failing or *sometimes failed political skills.* I suggest that an internal employee director with a detailed *knowledge of his company* will in almost every case make a superior contribution to an ex*ternal director recruited on the* "old boy" network. This does not mean that the employee directors will not need *training* and access to external resource centres although it might be a *good idea if some of* the existing external directors had also had some training. The task of *improving* everyone's *reservoir* of knowledge and technique is formidable but must be commenced forthwith, *starting with* a concerted effort concentrated on the 6,000 to 7,000 employee directors who can build on their knowledge of, and interest in, the framework where they are employed. The argument of the non-unionised worker being disenfranchised is absurd simply because of the extremely high degree of organisation (both blue and white collar) in the companies selected.

Every member of the Bullock Committee (bar one) at one stage of our work seemed to agree that a separate organisation and channel of communication should not be set *up for non-unionists because it* would be in friction with that of existing union structures established for collective bargaining purposes. Now that would be a recipe for conflict and disharmony. Obviously there would be argument about constituencies and how to elect the average of six employee directors needed in the selected companies. The easiest situation would be where there is one union only and there are numerous examples of this, particularly in the finance sector where there might be six recognised manual workers' unions and two white collar unions?

Mr. Clive Jenkins is general secretary of the Association of Scientific, Technical and Managerial Staffs which, with 374,000 members, is *the seventh largest union in the TUC. He was a member of the* majority group on the Bullock Committee on industrial democracy and is now a member of Sir Harold Wilson's committee of inquiry on financial institutions.

The Joint Representation Committee proposed in the majority report would be the forum for arguing this out and one can envisage a situation where there might be *constituencies catering* for groups such as craftsmen, semi-skilled and non-skilled workers, *and those employed in* services, clerical, technical and supervisory-managerial areas. *But this would have* to depend on the mix within the company. There would be some employers with a work-force *which* was mainly unskilled where one union could very properly assert that most of *the seats* should be taken up by non-skilled workers. But with the changing composition of the workforce there will be large numbers of companies caught by the legislation where the white-collar interests would loom largest and where, say in the insurance companies, one union would cover six constituencies which might be blue collar support services, clerical, administrative staffs, technical and computer experts, professional, technical and middle managerial. The unions' members concerned might decide to run an election among their members to decide upon the representatives.

This raises the problem of how the representatives would stay in touch with their members and this relates to arguments about the infrastructure put forward so negatively by employers who had not spent a minute considering detailed participation arrangements, until the Government put the *issue* on the agenda by appointing the Bullock Committee. The employers include in their *self-serving argument* that there are low attendances at trade union branch meetings. This is true when there are not important issues before them. It is also true that when the trade union members feel that the issues are important they attend in large numbers; they make up their own minds and are no more apathetic than the absentee shareholder.

The answer to reporting back to employees probably is that there has to be more printed material about what goes on at a Board meeting. The issue of confidentiality can be immediately dismissed. There has never been an established case of a trade union member, and particularly an official, ever leaking any of the sensitive data which is so often entrusted to them by companies. But there has been ample evidence of insider trading by executives for personal advantage.

There must be some provision in working hours for a report-back by employee directors to their constituents which *is* a radical innovation. It will certainly mean, as I recently saw in a large company, that interested people will come to a meeting and be ready to stay on long after the end of working hours. A combination of these two methods plus an even *more regular and intimate* relationship with the established trade union *organisation* in the *enterprise ought to make* everyone more knowledgable.

Turning to the future of the unions themselves, the majority report has ruled out the idea that full-time officials should sit as employees representatives and argued that the claim for seats on the Board rests upon the investment of workers' time and energy and the seats must be theirs. Every board already has invisible and silent members who represent the workforce already organised, recognised for collective bargaining and consultative purposes, and who will be able to demand huge amounts of the information under the Employment *Protection legislation*. This *is* the veto factor — the "will they wear it?" factor. Surely it would, as a matter of quite simple logic, be better to have those representatives in person and voicing opinions. But even if this empirical argument of adjusting to the veto does not carry enough weight, the thesis that those who invest their lives, blood, flesh, sinews and nervous energy should have a formal place in decision taking must be one which has an historic weight of inevitability.

ORC SURVEY

Pressure on managers' efficiency and morale

BY NICHOLAS LESLIE

ECONOMIC AND social changes in the past few years are having the effect that a significant number of managers now refuse to accept jobs which would mean their moving home, even if they are offered substantial salary increases.

This *emerges from a survey* published yesterday which says that nearly one-fifth of company managers aged between 35 and 44, if offered a £5,000 a year pre-tax salary rise to take up a different post in another part of the country, would turn it down. Among those aged 55 and over, the rejection rate would be over one-third.

The survey, into management motivation, was carried out by Opinion Research Centre (ORC), part of the Louis Harris International Group. It reveals that managers feel they are *being* treated unfairly by the Government and that the value of their role is not appreciated. *ORC also maintains* that its research suggests that "serious and growing damage to the *efficiency* of *British industry* has been done by financial pressures over the last few years on the *living standards* of managers."

Differentials

"High taxation, narrowing differentials, wage freeze and inflation have combined to de-motivate and undermine the enthusiasm of all grades of managers, from company chairmen to foremen and supervisors," declares the survey.

The survey also presents some conflicting opinions, for *example*, on *managers'* dedication to their jobs. More than half those polled thought they worked harder and found their job more interesting than three years ago, whereas more than half also thought that other managers were less efficient and enthusiastic than they used to be because they were being inadequately rewarded.

ORC maintains that while factual surveys have been drawn up in the past, no previous attempt has been made to give a quantified picture, principally because of the cost involved. *ORC* therefore raised £100,000 from more than 100 companies, both large and small, and set out on a survey which started by screening more than 105,000 individuals in order to secure a final sample of nearly 2,000 men and women representative of management in Britain. It also added what it describes as a "boosted sample" of senior management which, while not formally part of the main random sample, represented a selection of top management from several hundred companies.

All grades of managers took part in the survey, from chairmen to foremen and supervisors, and ORC contends that there is a total of 1.1m. such people in industry.

Nearly half the sample said they had personal financial problems which tended to distract them from their work. About one in two were ready to opt for early retirement, providing they were on a pension, or were prepared to find another job. About 25 per cent. maintained their company had had difficulty in filling senior positions in recent years, though they had found that a major reason was the insufficient number of people of the right calibre.

Other points made included a suggestion that dishonesty was on the increase, that about 100,000 managers were spending time and energy on "moonlighting"—working on outside private business, and that a new mood of managerial militancy was emerging. On this point, a majority thought the CBI and British Institute of Management would be better supported if they were more militant, but only a minority were prepared to support a call for militant action. Strong feelings also existed about unions having too much power in terms of settling pay policies and influencing company policy.

Many managers said they were prepared to quit the U.K. Nearly 100,000 managers—about 8 per cent. of the total—have taken steps such as inquiring about jobs and regulations abroad, while 6 per cent. reckon they are likely to look seriously for an overseas job in the next three years. These feelings are predominantly held by middle and senior management and much less by foremen or supervisors.

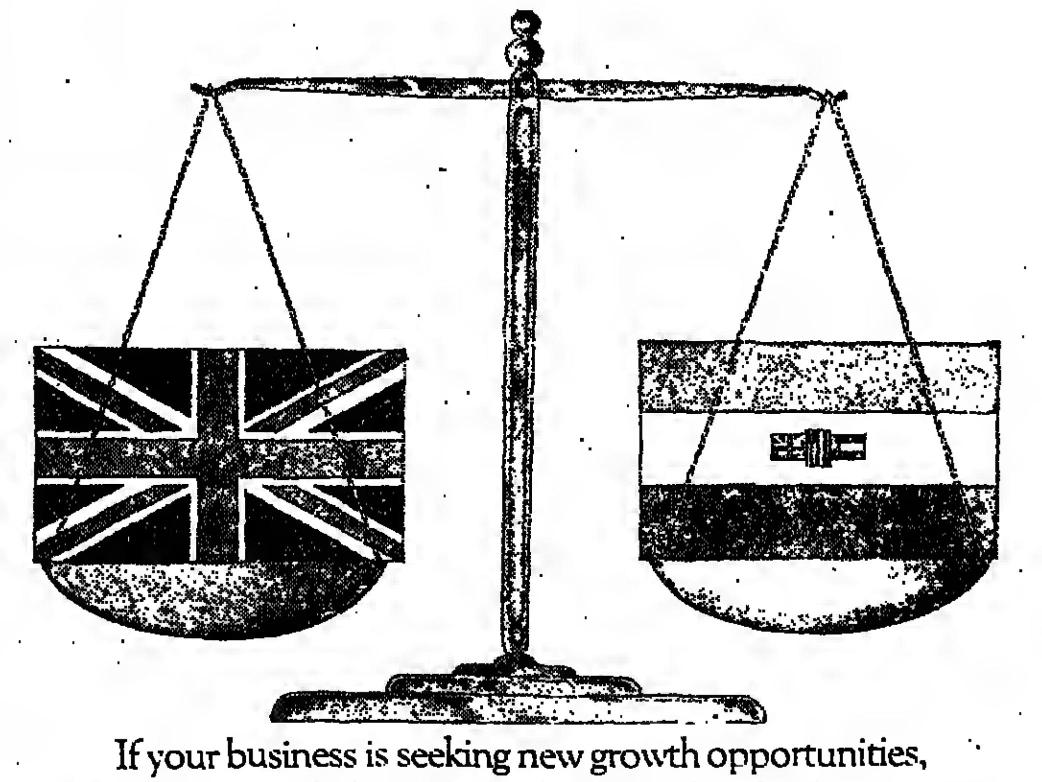
A great deal of extra work outside normal working hours is being done by those in the £9,000 to £14,000 a year bracket, declares the survey. Mostly the time is taken up in working at home during weekdays and while travelling and the average working week works out at 50.5 hours a week. On the other hand, about one-fifth of managers were *doing* less work outside normal working hours, partly because the pay is not good enough. Most felt that poor financial reward is causing managers to be less efficient and enthusiastic about their work.

Bitterness

So far as general morale is concerned, the survey maintains that, above all, there is a strong feeling among managers "that they have been treated unfairly." They felt they had been "singled out and treated unfairly in relation to other groups of wage earners. There is also strong bitterness that the Government, apparently, does not regard the work of managers as important."

In response to financial pressures, an increasing number of managers' wives are working full-or part-time and a variety of activities is being sacrificed or reduced, including holidays, eating out and home entertainment.

Attitudes to salaries and taxation varied widely. A quarter of managers believed a pre-tax salary limit of £20,000 would be a good thing, but 60 per cent. thought the reverse would be the case and of these over one quarter thought it would remove incentives. Others thought it would make people go abroad or kill ambition. Among the varied attitudes to tax, those earning over £9,000 a year and those with children at private schools were much more likely to consider the current rates as being "not sensible."



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TUESDAY, FEBRUARY 8, 1977

An upsurge in costs

OF THE TWO main ingredients in industry's costs, labour and materials, the first has responded reasonably well so far to the Government's treatment: the phase two limits have been widely observed and the rise in earnings for the year to July should not be too far out of line with the Government's target. But the outlook on the other front is much less cheerful. The latest wholesale price indices, published yesterday, are bad, even after allowing for special factors. The price index for materials and fuel purchased by manufacturing industry rose by 2½ per cent. in January, following a fall in the previous month. The favourable factors which had been at work in December, principally the improvement in the exchange rate of sterling, continued to operate to some extent in January, but they were swamped by the higher dollar price of crude oil and by price increases of other imported commodities.

Commodities

Three-quarters of the increase in the index for January was due to oil, but in the next few months other commodities may be making the running. Metal prices have been hardening on the London Metal Exchange and in the U.S., where there have been reports of some re-stocking by fabricators in response to improving consumer demand. The strengthening of the U.S. economy, provided it is not seriously hampered by the cold weather, will not only tend to push up commodity prices but will also affect other industrial materials which are at present in surplus.

The partial offset against these trends which has been provided by the appreciation of sterling over the last couple of months is now, presumably, at an end. The fall in the exchange rate was the dominating feature of last year's inflation. Given the reluctance of the authorities to see sterling rise much above its present levels, the effect of the exchange rate on inflation this year is likely to be neutral.

At the other end of the manufacturing pipeline, the index for output prices rose by 3½ per cent. last month, the highest figure since January, 1975. More than half of this increase was caused by three special factors—the annual bunching of price increases at the start of the year, the increased duty on alcoholic drinks and tobacco announced in the December Budget and the sharp rise in food prices; each of these factors contributed more than ½ per cent. The year-on-year change in the index for all manufactured products rose sharply, from 17½ per cent. in December to 19½ per cent. in January.

It is reasonable to expect that the monthly increase in output prices will fall back to a more normal rate of 1½ per cent. or so over the next few months. This, together with the effect on labour costs of phase two of the incomes policy, is the basis for the Government's hope that the inflation rate will slow down in the latter part of the year, perhaps bringing the underlying increases in the retail price index closer to 10 per cent. than to 15 per cent.

Austerity

What is clear is that the increase in U.K. industrial costs is running at a level which is more than twice the average of the industrial world as a whole, and that until this gap is closed the Government cannot afford to take risks by stimulating the economy. The latest figures underline the warning given by the Governor of the Bank of England last week, when he urged, as a first objective, that the rate of inflation should be halved again. It is a bleak background to the talks which are now beginning between the Government and the TUC over phase three; but it is a reminder that "another year of austerity and restraint," as the Governor said last week, is necessary before a soundly based economic recovery can take place.

The pressures from Japan's exports

THE EUROPEAN Commission's decision to impose a three-month anti-dumping duty on imports of Japanese ball and roller bearings may be seen in Tokyo as symptomatic of a new determination on the part of the European authorities to take a tough line towards Japanese exports in a number of sensitive sectors. Such an interpretation appears to gain in plausibility, inasmuch as the anti-dumping duty decision has been announced on the eve of another round of talks in Paris between Europe and Japan on shipbuilding. But whether this interpretation is correct remains very much an open question.

Dumping is a trading malpractice whose characteristics are defined and laid down by international agreement in the rules of GATT. If the Japanese exporters of bearings have broken the rules—and the margin of dumping which the Commission claims to have established is sufficiently wide to leave little doubt on the point—then the imposition of an anti-dumping duty should be an automatic consequence. No decision of political principle need be involved, since the Commission is merely subjecting the export pricing policies of Japanese bearing manufacturers to recognised criteria.

Malpractices

In the other areas of dispute between Europe and Japan, such as shipbuilding, steel and cars, the problem is essentially political rather than legal. Japanese shipbuilders have not been shown to be guilty of trading malpractices, but their growing domination of the world shipbuilding scene is causing increasing problems for shipbuilding industries in other industrialised countries. Given that these problems come on top of a generally sluggish recovery in the world economy, and of what appears to be a high structural level of unemployment in Europe and the U.S., the Governments of the industrialised countries are inevitably subject to intense pressure to do something about the Japanese competition.

Until now, the main reaction of the European governments to this domestic pressure has been to argue forcibly with the Japanese that they should do something to restrain their exports; in the case of shipbuilding, they are seeking a commitment from the Japanese that they will not exceed a given percentage of the world market. By and large, the Japanese response has consisted of evasion and delay.

It is an understandable response. The main reason for Japan's success in export markets is that, in many sectors, Japanese manufacturers are a good deal more competitive than some of their European rivals. Secondly, although the pronouncements from various European governments have from time to time sounded tough, everybody knows that they would be extremely reluctant to embark on a protectionist course against Japan.

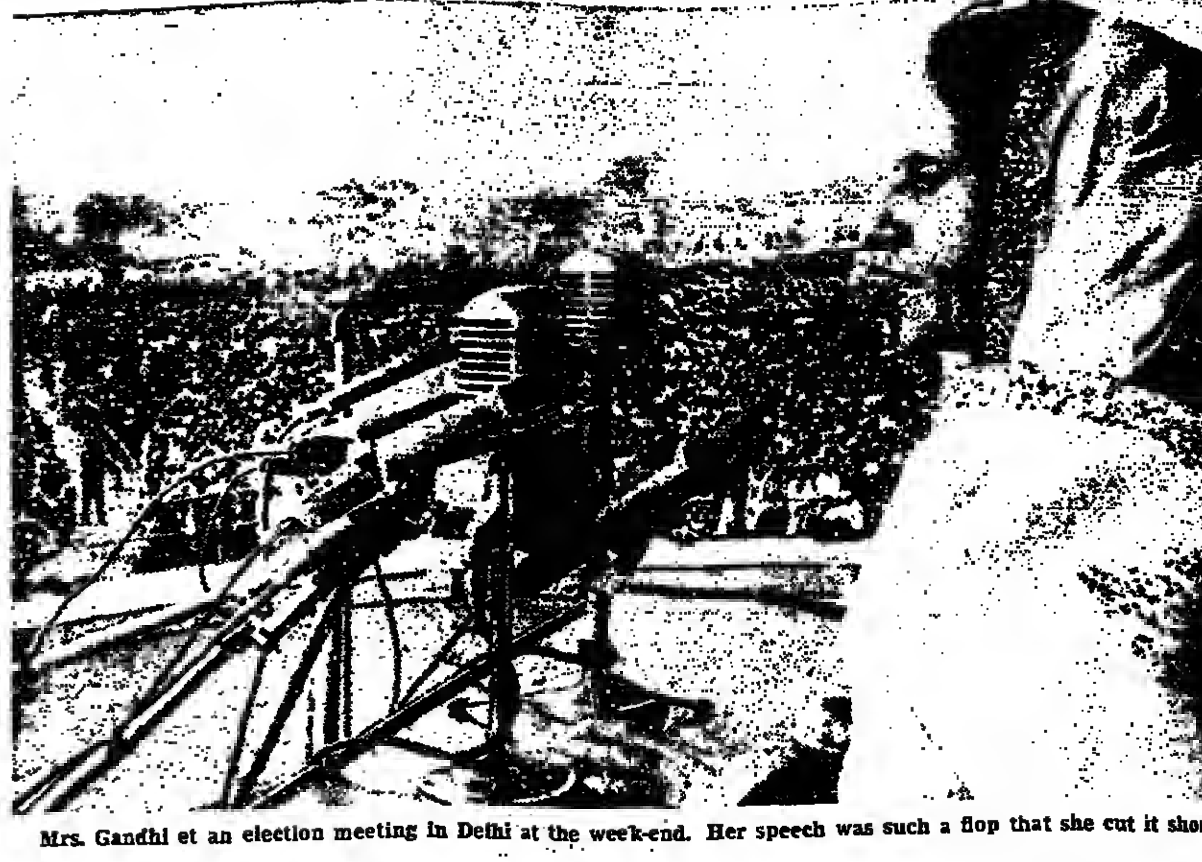
Shipbuilding

In the case of shipbuilding, moreover, it is far from clear that a protectionist policy would be effective in the face of the Japanese challenge. The European Governments could, in theory, institute large subsidies for domestic shipyards and shipping companies, but they might have to be very large to have a serious impact on the ordering policies of shipping companies registered outside the EEC.

In any case, neither import protection nor the subsidisation of domestic industries offers a satisfactory long-term solution to the strains in trade relations between Europe and Japan. In the long run, European industries must adapt to the realities of the competitive situation, either by matching Japanese efficiency or by developing new products for new markets. What the European shipbuilding industry cannot be expected to do, is adapt in this way overnight. With luck, this year's multilateral trade negotiations may produce an updated safeguard clause designed to allow time for this kind of adaptation. But the Japanese should not assume that European Governments will permit large sectors of industry to be swept away.

Mrs. Gandhi finds herself in trouble

BY DAVID HOUSEGO in New Delhi



Mrs. Gandhi at an election meeting in Delhi at the week-end. Her speech was such a flop that she cut it short.

MRS. INDIRA GANDHI is a woman of great resilience. She still has five weeks before polling to make up the ground she has lost since springing the surprise of a general election. But it is a measure of the turnabout there has been in Indian politics in the last three weeks that from an unmatched supremacy in the country she now faces a real threat that her Congress Party could win fewer seats than in any election since India gained independence in 1947.

Two major blows have caught her unprepared. The opposition groups which over the past 20 years have bickered amongst themselves to the advantage of Congress suddenly closed ranks on the common platform of getting her out of office. The Janata (People's) party does not present a credible alternative Government. It is, in Mrs. Gandhi's words during the weekend, a hotch potch of opposing creeds and ideologies.

None the less it has suddenly become a focal point for all the grievances that were stifled under the 19 months' emergency imposed by Mrs. Gandhi: resentment against the sterilisation programme designed to reduce population growth, against the arbitrary power of petty officials who could act with a new high-handedness, the pegging of wages in the cities. Some of this resentment could lose force once the immediate effect of removing the lid has worn off. But at the moment it seems spontaneous and increasing; the emergency powers seems to have been more unpopular than even their Indian critics thought.

Beyond this largely intellectual and urban backing, the Janata Party can look to support from the communal and regional constituencies of the component members of the coalition. Mr. Morarji Desai, the 80-year-old former Deputy Premier and now leader of the Janata Party, has a following unrivalled in Gujerat. The Jan Sangh carries with it the voice of Right-wing militant Hinduism and a banned but still powerful underground organisation. The People's Independent Party (BLD) is the lobby group for the farming community in western Uttar Pradesh. Much of the appeal of such parties is to all that is most backward and prejudice-ridden in Indian society. But Congress has never won more than 48 per cent. of the votes in an election so that appeal carries a lot of polling power.

The second major blow to Mrs. Gandhi was the resignation of Mr. Jagjivan Ram, aged 69, the Agriculture Minister who would probably have been Prime Minister if Mrs. Gandhi had stepped down instead of declaring the emergency when the Allahabad High Court convicted her of improper electoral practices. His accusation that she has wielded personal authoritarian rule, with its swipe at Mr. Sanjay Gandhi, the Prime Minister's son, for his massive extra constitutional powers, has touched off a widespread response among those who have been locked out of the political process. They include cabinet ministers, such as Mr. Ram himself, who felt themselves bypassed, and Congress men contemptuously ignored while Mrs. Gandhi ruled through her private secretariat and her 30-year-old son. The personal humiliations during that period were more painful than the constitutional amendments.

Lost touch with rank and file

The response to Mr. Ram's resignation, which was privately welcomed by many Congress men, is a sign of how Mrs. Gandhi had lost touch with her rank and file. The restiveness of a public meeting which she addressed in Delhi on Saturday reflected her apparent loss of touch with crowds no longer subject to discipline. In Mr. Ram she has an opponent of national stature, the acknowledged representative of the 85m. Harijans or Untouchables, and with wide popularity in Uttar Pradesh and Bihar. These two states together account for about a quarter of the seats in the Parliament.

Mr. Ram is backed by the powerful Mr. H. N. Bahuguna, former chief Minister of U.P., whose influence, popularity and evident ambition in Mrs. Gandhi's home State got him dismissed early in the emergency. A Congress man at heart, he was spoken of as a potential Congress Prime Minister before Mr. Sanjay Gandhi appeared on the political horizon.

Mrs. Gandhi's crisis has much in common with the split in Congress in 1969. Then, as now, the dispute was not over issues—men of almost every shade of opinion can be found on both sides—but about personalities. The party democracy that she had seemingly swept under the table has returned. Mrs. Gandhi is also back to manoeuvring much as she did in 1969. Her first priority has been to tie to her side other potential defectors, notably Mr. Y. B. Chavan, the Foreign Minister who has a large following in Maharashtra, and Mr. S. S. Ray, the Chief Minister of Bengal who was nearly ousted by her son.

But to hold these men, Mrs. Gandhi has had to make concessions. The most important has been to abandon the restructuring and modernising of the party which was the mantle under which the nominees of Mr. Sanjay Gandhi's Youth Congress would have been slipped on to the Congress ticket. If he were to have his way, there would be 200-300 of them. The candidates chosen so far are largely established figures, people with well tried caste, communal, or regional support. Mrs. Gandhi's son and his insistence on quick action without regard for popular feeling has become a political liability to his mother.

At the same time Mrs. Gandhi has allowed key political figures like Mr. S. S. Ray to strengthen his power base within the party by giving him a freer hand in the selection of candidates from Bengal. Those candidates have an obligation to him just as some of the older Congress bands feel an obligation to Mr. Ram in that they would have been booted from their seats but for his resignation.

An initial picture of how far Mrs. Gandhi's concessions will go will emerge when the full list of Congress candidates is published on February 12 or soon after. That will show whether the Youth Congress has been able to reassert itself and, more important, whether Mr. Sanjay Gandhi has been given a seat. After the attacks on the extra-constitutional powers which he has enjoyed on the strength of his mother's patronage, he seems to have abandoned any desire that he might have had for a seat in Parliament as a political base.

But Mrs. Gandhi's real strength will be tested only after the election. It is then that the bargaining will begin about portfolios and the power which they carry. Then also Mrs. Gandhi's colleagues in Congress who would like to see her continue as Prime Minister but also to submit to a more collective leadership will press their case for reducing the power of the Prime Minister's secretariat and of the special police and intelligence agencies which contributed to her strength during the state of emergency.

The slimmer Mrs. Gandhi's majority is—and one still has to assume, though with decreasing assurance, that she is going to win—the greater the leverage against her. Mr. Ram obviously hopes that he can so dent her prestige as to be able to reform the Congress Party without her. The leaders of State Governments will be looking for greater autonomy, thus reopening the old controversy between the central power in Delhi and the assertion of different regional and linguistic identities. In turn, Mrs. Gandhi will be seeking allies among her erstwhile opponents. She has proved to be a master of tactics in such power games.

None the less after being Prime Minister for 11 years with undisputed authority for the last 19 months, such haggling will be unpalatable to her. She dated the decline of her father's power to his allowing Mr. Krishna Menon to be bullied out of office, which will incline her to take
a tough stance. She has n
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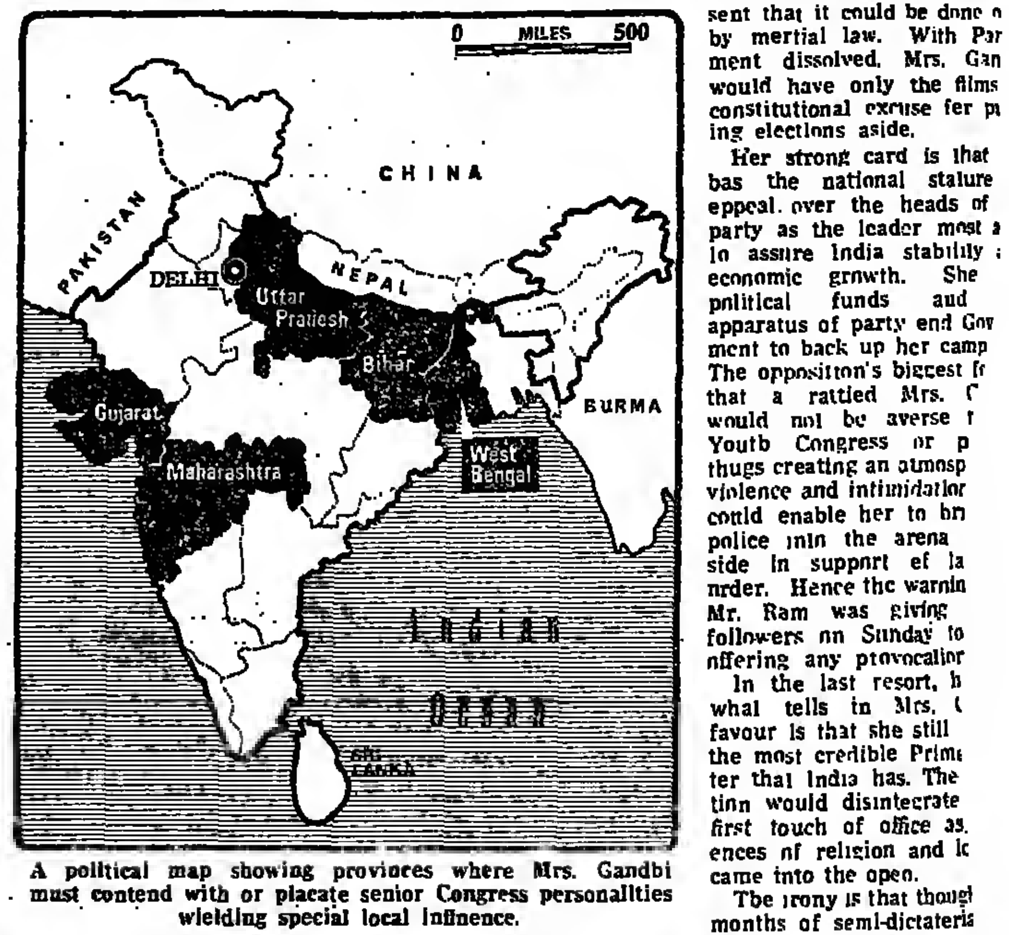


A political map showing provinces where Mrs. Gandhi must contend with or placate senior Congress personalities wielding special local influence.

MEN AND MATTERS

Carter's escape plan . . .

President Carter seems to be finding his way nicely round the machinery of high office. He was, apparently, rather sceptical of White House readiness in the event of a nuclear attack. So he set Zbigniew Brzezinski, now U.S. national security adviser, to find out how long it would take to order up the Marine helicopter that would rush the President from Washington to a secure hideaway if World War Three seemed to be starting.

Brzezinski took a practical approach. He summoned an aide and asked how long it would take to have the helicopter ready. He was told less than 10 minutes. Right, said the security chief. He ordered an instant test run and pulled out a stop watch. The startled aide hopped into action—but according to the magazine Newsweek, the helicopter was several potentially disastrous minutes late.

. . . and Peking's tunnels

The nuclear emergency arrangements in China are not restricted to Chairman Hua Kuo Feng and a select band of politburo chiefs but are theoretically capable of sheltering most of Peking's inhabitants in an underground city, a sort of anti-nuclear gruyére, created after years of patient burrowing.

It is not known what arrangements have been made for the top leadership but the Chinese take the threat of nuclear war very seriously indeed and plan to get the people underground given five minutes warning of an imminent attack. The system has been built in response to the late Chairman Mao's dictum "dig tunnels deep and store grain everywhere" and one of the criticisms now being made against the "gang of four" led by Mao's wife is that they dared to suggest that building the tunnels wasted building materials and was enormously expensive, in spite of the "volunteer" nature of most of the labour employed.

Western journalists who have just been on a guided tour of part of the system report that one entrance is to be found underneath a huge slab behind the padded cotton jacket counter of a women's clothing store just off Chien Men, the Peking equivalent of Oxford Street. There, a flight of steps leads eight foot underground and gives access to 3,000 metres of inter-connecting tunnel. Construction of a new maze 15 feet down is scheduled to begin shortly.

Building started back in 1969 and has progressed at an average rate of a metre a day since. Most of the work is carried out by manual labour with little mechanical help except lots of stirring revolutionary songs fed through the loud-speaker system.

Like President Carter, however, observers familiar with the morning rush hour crush have their doubts about the effectiveness of the arrangements. Would it really be possible to get all those teeming people underground within five minutes? And so for the most heretical thought of all—could Madame Mao and the gang of four be right?

"Now I know what is meant by 'If you can't stand the heat, get out of the kitchen'!"

Bullock in the dock

Opposition to the Bullock report is welling up in the most unexpected places. The latest protest comes from St. Katharines dock in London's East End or more specifically from Peter Drew, chairman of the World Trade Centre, whose headquarters is in the old Port of London Authority building there.

Failing to see any immediately discernible link between Bullock and world trade we asked Drew to explain why the centre was getting into the fray. His theory is that having workers representatives on the board will increase the pressure on companies to invest in the U.K. only, where British workers will benefit immediately, and actively discourage foreign investment, although this in the long run is often one of the best ways of securing exports sales and jobs at home too. Such pressures will, he believes "dramatically threaten" the ability of British companies to operate on an international basis.

Now the Centre is examining the effects of the Bullock report on international exporting companies and is likely to launch a campaign to oppose its implementation.

In spite of this openly political approach to the report however Drew maintains that the world wide World Trade Centre movement, with over 100 member organisations all over the world including the Soviet Union and five other Comecon countries, is a non-political movement. In its 20-year life the movement's aim has been to create "a better and brighter tool for increasing world trade." Roughly half the centres are sponsored by Governments or quasi-governmental bodies and the other half are essentially private ventures, of which the best known is the New York World Trade Centre which boasts the tallest skyscraper in the world.

The movement also runs conferences and training institutes aimed at improving the art of world trading.

The London World Trade centre started in 1969 and has ambitious plans for a £12m. expansion plan which includes a 250,000 square foot complex on the St. Katharines Dock site which already contains the essential pre-requisite for a successful centre in the recently built Tower Hotel.

Disastrous

Perhaps there is some justice in the fact that local authorities seem to be running out of ways to describe the perils of inflation. D. S. Walker, chief executive of Reigate and Banstead Council in Surrey, declares in a report that unless spending committees decide promptly their expenditure reductions, "quasi-carnage could ensue to the positive detriment of the Council's services overall."

Observer

FINANCIAL TIMES SURVEY

Tuesday February 8 1977

BOLIVIA

Not only has Bolivia emerged from a turbulent past into relative political stability, but also looks set for economic prosperity. However, the growing pains that accompany the transition from poor to rich, unless carefully managed, could hamper future development.

Military ule: the gains and osses

By Hugh O'Shaughnessy
atin America Correspondent

"THIS BOLIVIAN republic has particular charm for me. First s name, then all its advan- ges, with not one drawback; seems it was ordered to be andmade. The more I think out the good fortune of this untry the more it appears to e a little marvel."

When Simon Bolivar, the enezuelan general who berated large parts of South merica from Spanish domina- on at the beginning of the last ntury, wrote that passage in 25 he could have had little ea of how wrong it was going turn out. But, as he con- sses, he was more than a little duced by the fact that the untry which had been called pper Peru decided to take his me as its own.

Bolivia's independent history s in fact been pitted with disasters. Its original territory has been eaten away in large chunks by all its five neighbours. Its presidents have succeeded each other in the Government palace, at times with the rapidity of a crowd of guests going through the swing doors of an hotel. The development of Bolivia's very large mineral and agricultural potential has been hampered by very bad communications.

The Spanish colonial regime of milking the profits of the silver mines of Potosí for the benefit of the metropolis was paralleled in this century by the development of the country's tin potential for the benefit of a small number of immensely rich "tin barons."

The large part of the population, the pre-Colombian indigenes, received almost no benefit from those developments which were carried out in Bolivia in the 19th and the first half of the 20th centuries, and only slighty more after the big social revolutionary upheaval which took place in 1952 under President Victor Paz Estenssoro. It is no coincidence that perhaps *two-thirds of the population of* Bolivia are still outside the money economy.

In recent years, however, there have been indications that the country is beginning to realise its potential and move into a period of sustained economic growth. First Bolivia has developed self-sufficiency in oil and natural gas, can count on a small but growing revenue from its oil exports and should one day be an important exporter of gas.

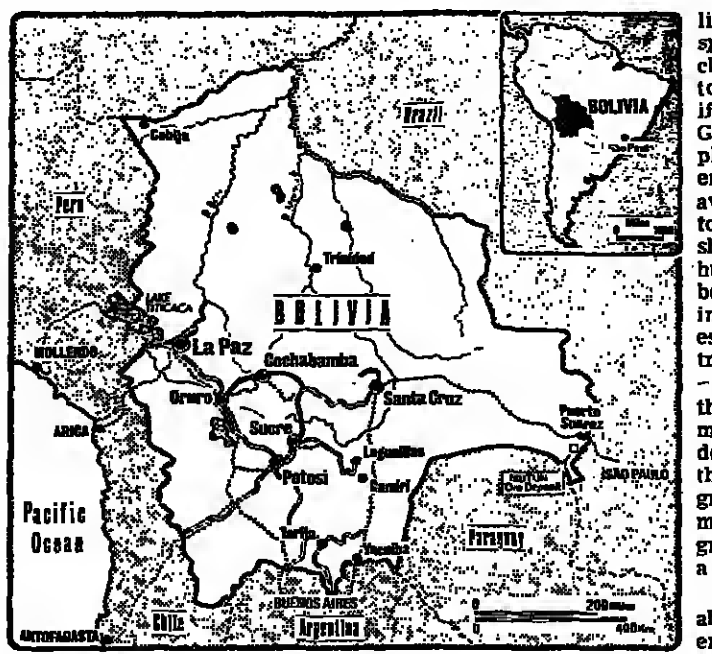
In the mineral sector, which has been Bolivia's traditional economic prop, not only have prices for ore exports recovered but also the Government is engaged on an ambitious scheme to smelt most of its own metals at home, thus taking advantage of increased employment opportunities at home and more locally added value. With luck, too, Bolivia will soon be in a position to start its own steel industry, using the large quantities of iron ore at Mntún on its extreme south-eastern border and its natural gas.

Promise

Not least, the agricultural sector is beginning to grow, slowly *fulfilling* the *promise* that not only can Bolivia feed itself well but also become in time a *food* producer *of* importance for the rest of the world.

Another most important fac*tor in Bolivia's recent growth* —at least so far as the morale of businessmen and of foreign lenders and *investors is* concerned—has been the fact that the presidency of the country has been exercised by one man, General Hugo Banzer Snárez, continuously since 1971.

The era of fly-by-night presidents appears to have come to an end, at least temporarily, and the reins of power are in the hand of a friend of business. The effervescent Left-wing politics of 1970-71, when radical President, General J. J. Torres, *was in power*, have come to a stop and the trade unions are no longer an effective bargaining force. Government officials have set about the formulation and continuous updating of a five-year indicative plan.



This does not mean, however, that the private sector businessman is totally content. Ever since the revolution of 1952, when the tin empires of Patiño Aramayo and Hochschild were nationalised as Comibol, the State mining complex, the State has had a strong presence in the economy. Since 1952 the *State sector* has expanded steadily so that it now takes in in addition the railways; ENAF, the national smelting corporation; SIDERSA, the nascent steel-making company; Lloyd Aéreo Boliviano, the national airline: and COFADENA, the industrial holding company owned by the armed forces.

Not surprisingly, the private entrepreneur feels himself rather under siege. Sr. Jorge Lonsdale, chairman of the successful Destileria Boliviana liquor company and chief spokesman of the private sector, claims that private business has to be continually on its guard if it is to resist the inroads of Government enterprise. He complains, for instance, that private entrepreneurs have had an unavailing fight to get permission to establish the first Bolivian shipping line and that if private business is not vigilant it will be consigned to a minor role in, for instance, the imminent establishment of a motor industry in Cochabamba.

Whatever the complaints of the private Bolivian businessman, however, there can be no denying that Bolivia has lived through several years of fast growth or that, if the Government acts cleverly, this rate of growth could be continued for a few more years yet.

The growth rate last year was about 6.7 per cent. and the Government's target for this year is 7.3 per cent. The reserves, it is hoped, will rise from $165m. to $185m.

It having been demonstrated that Bolivia can begin to realise its economic potential, the challenge now facing the Banzer Government is to make sure that the benefits of the growth process are transmitted to the mass of the population.

It is no secret that many observers feel strongly that the social effects of the very welcome growth of the past few years have been too pointedly concentrated in the richer sections of society and that too little has gone to the less well off Bolivians, those, that is, who bear the brunt of high illiteracy and infant mortality rates.

In its comments on Bolivian performance in 1975, for instance, the U.N. Economic Commission for Latin America (ECLA) remarks, "Considering the composition of imports, in which the share of non-essential goods increased appreciably, and the significant expansion of commercial activities and services in the towns, it seems perfectly legitimate to assume that the growth of consumption was concentrated in the high-income urban sectors. Moreover, manufacturing production seems to have shown greater dynamism in selective consumer items than in mass consumption items, in view of the minimal levels of income of a large proportion of the population."

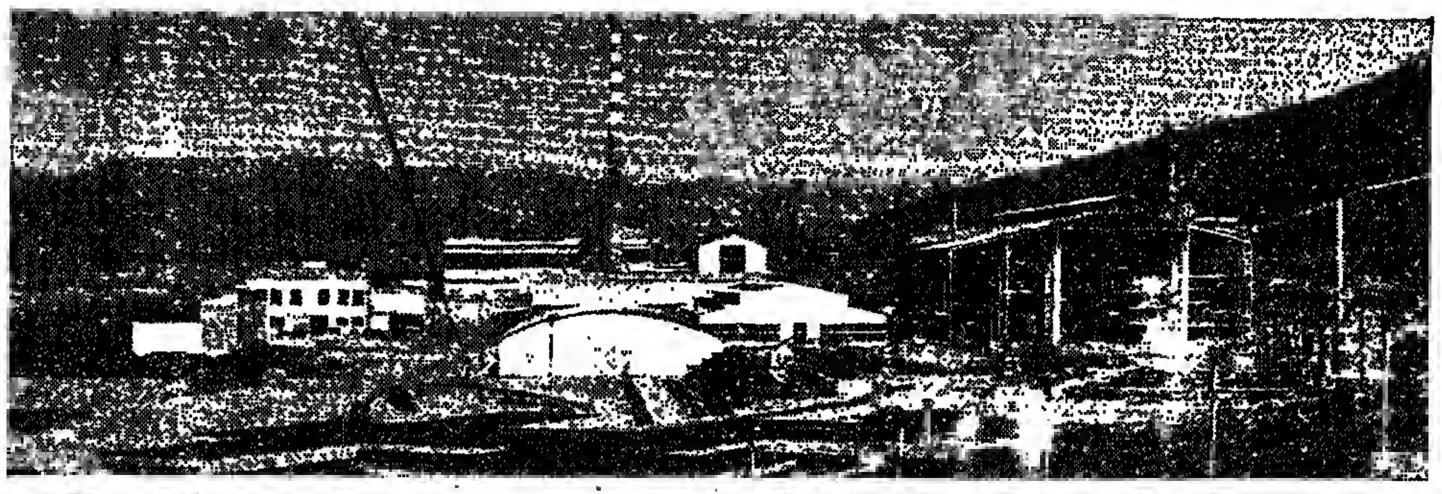
Resources

Government officials argue that the greater atention to the *problem of poverty is indissol*ubly linked to the question of putting more resources profitably *to work in the countryside.* And that, they argue, is an extremely complex problem which in the end may demand a policy to resettle large numbers of the peasants from the overcrowded Altiplano in the underpopulated areas of the east of Bolivia. Given that it is often a great deal more difficult to float large-scale integrated rural developments than industrial projects, they say, than assistance to the countryside will take some time to be effective.

General Banzer himself has *appreciated* that there must be some changes in the political scheme he has presided over since 1971, even if he resists admitting that his economic strategy needs a change. On January 21 he announced moves to liberalise the present ban on party and trade union activity. He has so far been unwilling to fill in the details of what he means. But it is clear that some rethinking of the strategies that the General has pursued hitherto is going on.

BASIC STATISTICS

Area	424,165 sq. miles
Population	5.6m.
GNP (1975)	42.45bn. pesos
Per capita	7,540 pesos
Trade (1975)	
Imports	$558m.
Exports	$442m.
Imports from U.K.	£5.3m.
Exports to U.K.	£19.0m.
Trade (1976 to end Nov.)	
Imports from U.K.	£7.5m.
Exports to U.K.	£20.0m.
Currency: £1=34.37 pesos	



An uncannily low inflation rate and steady growth are the features of the Bolivian economy. As a result of recent discoveries petroleum and gas are now rivalling the mining sector in the exports field

The economy

TWO THINGS above all would seem to justify the image of Bolivia as an oasis in a South American world of economic sandstorms. The first is its inflation, with figures so low they are uncanny. Although some independent analysts put last year's rise in the cost of living as low as 7 per cent., senior Government experts concede that it may have been as much as 12 per cent., but it is still unusually respectable. Over the border in Argentina, the official figure for last year clocked in at 347.5 per cent.

The other stable element in the internal economy is the steady growth rate. Through the ups and downs of a mini-oil-bonanza in 1974, overspending in 1975 and a recovery in foreign trade in 1976, the rise in the gross domestic product has stuck solidly to the range of 6.7-6.8 per cent. a year.

The improvement in per capita income is made difficult to assess by last year's census, which, far from showing the figure close to 6m. which was expected, came up with fewer than 5m. inhabitants. But calculated on the same basis as before, real income per head rose by about 4.5 per cent. last year after 3.7 per cent. in 1975 and 4 per cent. in 1974.

The Planning Ministry has set the target figure of a 7.3 per cent. increase in the gross domestic product this year, in order to bring things into line with the 1976-80 national plan, which foresees growth of over 7 per cent. a year.

Balance

There is, of course, always something about five-year plans that smacks of wishful thinking. This may apply in particular, according to international observers, to the total investment envisaged during the period of $3.5bn., calculated at 1975 prices. Of the total amount, two-thirds, or about $2.3m., is supposed to come from internally generated funds. This is seen as over-ambitious, although Bolivia may be able, on a slightly smaller scale, to maintain the aimed-for balance between domestic savings and external borrowing.

Thirty per cent. of the funds are earmarked for development of private business. Of the remaining, public sector slice, 40 per cent. is dedicated to infrastructure, including between 20 and 25 per cent. on social services. Education and transport take up the biggest shares. If the total investment target proves too high, as some believe it will, then there is obviously the risk that the balance between the different priorities will change.

The Government has set itself the task this year of shoring up the private sector's role, giving it 32 per cent. of total investment and channelling more funds into productive uses, especially in import substitution projects such as foodstuffs. Industry occupies only about 15 per cent. of the national product, but opportunities for expansion are limited by the small consumer market and by the turn-taking agreements of the Andean Pact countries.

Stability remains the number one concern, and Sr. Carlos Calvo, the Finance Minister, has pledged to keep an unchanged peso and to maintain price controls on basic commodities this year. But inflation is expected to push rather higher than in 1976, when its low level reflected a number of artificial factors. One was the low retail price of petrol, which has damaged the financial position of the State oil company YPFB and which is due for review this year. Rigid price curbs on a basket of "first necessity" foodstuffs are also likely to be reconsidered in the light of production costs and possible supply shortages.

At the same time, there has been a stringent freeze on wages in the public sector. These stayed put from the beginning of 1975 until the middle of last year, when a 30 per cent. pay award following the Comibol miners' strike precipitated a rush in the breach. Teachers and bank clerks also secured significant increases, and this year the Government is understood to be considering a raise of 14 per cent. for those members of the huge State labour force who have received the least by way of improvements in the last three years.

Another aspect of low inflation is the high inflow of contraband, which although it may help to keep prices moderate constitutes a wastage of about $40m. in the country's accounts each year. Hardly anybody buys a toaster or an electronic calculator on the legal market, where they are subject to high import taxes. An example of how easy it is to by-pass customs regulation is the number of 1977 model cars that can be seen on La Paz's streets. Imports of motor vehicles have been prohibited since last February.

Smuggling is one of several seemingly insuperable problems in the Bolivian economy. More so is the overweight public service, its costly bureaucracy and the public sector's permanent and growing deficit. This deficit—which observers deduce at something in the region of $75m. — is probably the biggest item on the minus side of the present mood of confidence.

The Government has taken a number of steps towards reforming the State sector. It has brought new men in to head the mustier Government agencies, sometimes under duress, while General Juan Lechín Suárez, the Planning Minister, pledged at the beginning of this year to stage a campaign against managerial deficiencies.

Approach

As a sign of its new approach, the Government has qualified for the Guinness Book of Records (or would have done if there were a Bolivian edition) by producing its consolidated public sector budget proposals for 1977 before the beginning of the year. The $2.8bn. budget was published on December 30.

Over the past few years, the growth of public revenues has lagged more and more behind spending, much of which has had to go on repairing the operating deficits of State-owned corporations, paying their debts and even paying their taxes.

The Government is also looking into a thorough reform of its tax system, for which it has commissioned a blueprint from a team of U.S. experts.

The Government's fiscal performance has been its Achilles heel. Tax revenue is heavily dependent—about two-thirds—on foreign trade, with an over-large chunk coming from the mineral sector. This has not only handicapped the mines but it has also meant that the Government's revenues follow the big dipper of world prices, which are outside its control. The mineral levy system seems likely to be scrapped in favour of a profit tax.

Foreign experts also point out the lack of central control over Bolivia's tax revenues. As much as 40 per cent. of Treasury income comes in the form of specific taxes, some of them trifling, imposed by different ministries. In the case of oil and gas, an 11 per ce tax goes to the department and principally this mea Santa Cruz, since it produc 80 per cent. of the oil and the gas—while 19 per cent. go to the central Government, is considered a political impo bility to make any substant change in this system, even it meant a more even distrib tion of funds, because of t fierce rivalry that exi between the different dep ments, itself often an obsta to co-ordinated development.

The vying between depa ments for industrial and oth projects, such as sugar refini facilities, has been symptoma of a general planning failu Projects have up to now be considered individually rath than as part of an over strategy. This has mea inadequate measures to tac some of the permanent han caps which have acted as drag on economic and soc development.

The transport system, fac with exceptional geographi difficulties, is still po although the national p devotes a good deal of its fu towards improving it. T potential, for instance, of high Beni region for sug cotton and soyabeans has been realised because of impossibility of bringing p ducts to market.

But socially Bolivia has p haps the biggest and le approachable of its proble The population is simply in wrong place. The bulk of people, the Indian peasants the Altiplano, are so disper as to make proper health school facilities a major c lenge. Half the country illiterate, and the infant m tality rate is among the wor highest at 154 per 1,000 births. Existence for m people on the Altiplano meagre, although real hunge rare. While the middle class La Paz has enjoyed an precedented spree of sumerism in the last coupl years, the Altiplano peas have shown little or no cha Attempts to resettle them tropical regions have been almost total failure. Instead World Bank is now backing integrated agricultural c munity experiment, comp with irrigation, on the Altipl itself—a project which seem be generating high expectati of success.

David Wh

Export performance

BOLIVIA IS slowly moving out of a period when its economic relations with the rest of the world were ruled by the highly volatile price of tin on the London Metal Exchange. The importance of tin to the economy has been falling rapidly. From making up 44.6 per cent. of total exports as recently as 1970, the share of tin in the export receipts is now under 30 per cent. and it is likely to fall further. The same goes for other mining products, whose share has fallen by about the same measure.

Hydrocarbons have come to the rescue. Bolivia's exports of oil, which in 1970 accounted for less than 6 per cent. of export receipts, now bring in about a quarter of all export earnings, while natural gas has come from nowhere to account for about another 10 per cent. There seems little doubt that the petroleum and gas deposits of Bolivia will soon rival the mining sector as a source of foreign exchange. More oil is certainly to be found, but it is on Bolivia's role as a major supplier of gas to its neighbours that many economic strategists see the future prosperity of the country depending.

Despite the disadvantage to which Bolivia's geographical position puts Bolivia's hydrocarbons salesman, Yacimientos Petrolíferos Fiscales Bolivianos, the State oil company, is slowly pushing up the export prices of its products to its neighbours towards something approaching world prices. The long drawn-out negotiations with Brazil over the provision of 240m. cubic feet a day of gas to that energy-starved country should be completed before too long and will mark the consolidation of natural gas as one of the principal pillars of the external sector.

Further hope for consolidating the sector comes with the plans of ENAF, the State-owned metals smelting corporation. By 1980 Bolivia should be smelting about five-sixths of the 36,000 tons of tin it produces as well as big proportions of the antimony, tungsten, lead and silver. In 1981 ENAF expects to have new ferro-tungsten, copper and antimony plants in operation. By mid-1983 its $225m. zinc refinery should be going, together with an extension of the low-grade tin ore smelter and a plant to recover residual products.

Rapid

The activities of ENAF will not only mean that Bolivia will be able to get much better export prices for its refined metals than it would be getting for its raw ores, but will also allow the country to maintain its own stockpiles where necessary. Bolivia will therefore be in a position of greater independence vis-à-vis the International Tin Agreement and will be able to challenge the ultimate control of the tin market now exercised by the U.S. through the General Service Administration's stockpile of tin. Its smeltings of silver will also serve to boost the country's monetary reserves.

By 1980, according to the five year plan, the mining sector should be generating 2.57bn. pesos in export income, or 52.5 per cent. of the total, having grown at an annual rate of 10.8 per cent. during the five-year period. The hydrocarbons sector should be earning 1.72bn. pesos (35.1 per cent.), having grown at a rate of 15.9 per cent. over the period.

The third leg of the export tripod, the farm sector, should also grow at a rapid rate of 15.6 per cent. a year to be generating 608m. pesos, or 12.4 per cent. of export receipts, by the end of the decade.

The establishment of so much new productive capacity in Bolivia will clearly involve greater imports of the capital goods needed for the new plants. Nevertheless the Government, in its operative plan for 1977, hopes that the growth in imports will be kept more or less in line with export growth. It forecasts that the growth in the GNP this year will be of the order of 7.3 per cent., that exports will rise 12 per cent. to reach 12.2bn. pesos and that imports will go up 13 per cent. to top 12bn. pesos, thus giving a tiny favourable balance on the trade account. This compares with a fall of 18 per cent. to 10.9bn. pesos in exports last year and a rise in imports of only 4 per cent. to 10.7bn. pesos.

The external capital account of Bolivia has become increasingly important during the Banzer period. The international banks, often with more money on their books than they know what to do with as a result of the still depressed conditions in the developed world, have been keen to make loans to many parts of Latin America. For a time Brazil was a prime borrower, but with many banks heavily committed to that country and its prospects starting to tarnish. Bolivia, a country newly returned to the ranks of international borrowers and with a conservative Government, began to find favour with lenders.

For the first time in many years, and despite the fact that some Bolivian international obligations remain unpaid, the country has been in the position of being offered more foreign money than it knows what to do with. Sr. Enrique Ackermann, the head of the Instituto Nacional de Financiamiento, the watchdog body appointed by the Government to oversee the public sector's foreign borrowing, recounts that offers of money have come from the strangest sources, consisting of propositions from the most bizarre corners of the Far East and simple notes offering tens of millions of dollars from gentlemen quoting their passport number and an accommodation address.

Foreign indebtedness has been rising rapidly as a result of the increased offers. country's total public se debt is now about $2bn., which about a third is u bursed. It is a high priorit the Government to channel foreign money into produc activities so that it is abl generate the funds needed repay. As a first step authorities are trying to en that all public sector borrow is channelled through one ordinating body and that various public sector e prises do not, as often in past, mount up their foreign liabilities.

The Government is not satisfied that everything pos has been done to put for money to work in the manner. Some public se bodies, for instance, have borrowing foreign funds order to allow them to pay own tax debts to the ce Government.

The lack of management entrepreneurial skills— which the private sector su almost as much as the pu sector—has at times mad impossible for Bolivia to a foreign credits to the effect.

Nevertheless, the expan of productive State investm such as those being made Comibol in the mining se ENAF in the metals smel sector and SIDERSA in steel-producing sector sh help to correct this.

So far, perhaps because ability to borrow abroad is a comparatively novel experi for recent Bolivian Go ments, the country has no out of its depth and piled too many liabilities. The of foreign debt servicing annual export earnings is in region of 20 per cent. International Monetary maintains a very dis presence in La Paz and is t fore on hand for any ad which the authorities seek from it.

Hugh O'Shaughn

Few presidents in Bolivia last more
than a year or two in office. But General Hugo
Banzer Suarez has survived since 1971 and in an interview with
HUGH O'SHAUGHNESSY he shows himself to be
a tough political operator.

Active neutrality

HE PRESIDENTIAL palace in a Paz, the Bolivian seat of Gov- rnment, is called the Palacio uemado, the Burnt Palace, a eference to its turbulent his- ory. Across the road from the alacio Quemado in the Plaza furillo is the lamp post where few decades ago hung the ody of President Gualberto illarroel. The occupant of the olivian presidency is left in no onht that his tenure in office most likely to be nasty, rutish and short. Few survive ore than a year or two.

General Hugo Banzer Suárez as survived since 1971, the year n which he overthrew the badly rganised and vacillating Left- ving Government of his com- ade-in-arms General Juan osé Torres who was murdered n Buenos Aires last June. He as thus stayed in office longer han almost every other ruler f Bolivia and has beaten the 9th century record of General Mariano Melgarejo.

General Banzer's short stature as made him the butt of the artoonists throughout Latin merica and the cartoonists ave had it all the easier since e diminutive Banzer is presi- ent of one of Latin America's oorest countries. Many of the artoonists have, however, got it rong. The General's unpre- essessing exterior hides an xtremely tough political opera- r capable of taking the most thless decisions. He is not n opponent to be trifled with.

A descendant of one of the any German families which ttled in the department of anta Cruz, Banzer had a typical reer in an army whose field- rey uniforms and spiked elmets recall the influence of erman military advisers. Like ost promising officers he did spell of training in the U.S. nd has an excellent command f English.

By 1970 when he was the commandant of the military college in La Paz it started to be rumoured that he had ambitions to succeed to the presidency. The Torres Government cannot have been an agreeable time for him and indeed in early 1971 he started a move to unseat him.

The move, however, was discovered and Banzer was sent into exile. Within a few months, however, he was back in the country and with the support of private business, many of the most prominent citizens of his own department and with the ill-concealed satisfaction of Washington he was able to send General Torres into exile in President Allende's Chile and take over himself.

For a time he governed in conjunction with factions of two important civilian parties, the MNR, the Nationalist Revolutionary Movement which had started the social revolution of 1952 and the Right-wing FSB, the Bolivian Socialist Phalange, a grouping of some of the urban middle class.

Closed

In 1974 he decided to rule on his own and closed down all remaining party political and trade union activity. He announced that the Government of the armed forces would remain in power at least until 1980.

His present Cabinet is entirely military with the exception of the Finance Minister, Sr. Carlos Calvo Galindo, the former manager of the La Paz branch of the First National City Bank of New York and a member of a family whose interests have included the Banco Mercantil.

During his time in office he has been solicitous towards the wants of the armed forces. Senior officers have been drafted not only to all the Cabinet posts but one, but also to the managing directorships of most of the important State concerns, from Comibol, the State mining complex, Bolivia's principal employer to SIDERSA, the nascent steel company. Scarcely two weeks go by without Banzer making a visit to some out of town garrison so as to see that things are as they should be from his point of view.

With this diligently cultivated power base the General has launched on a thorough-going programme of what Latin Americans call *desarrollismo*, the pursuit of fast economic growth with every facility being given to the productive sectors of the economy, public and private. Encouragement has been given to foreign lenders and foreign investors and foreign banks have been freed by him of most of the restrictions placed on their operations in other parts of the region.

With the Central Obrera Bolivіana (COB), the trade union confederation closed down there have been few opportunities for labour to assert itself.

On the few occasions when it has asserted itself, as in the case of the miners' strike of last June Banzer has used tough tactics. Eight months after the start of the miners' strike the army is still on hand at the pits.

With the atrophying of the political parties, the MNR is but a faction-ridden shadow of its former self and the FSB, a force whose best days are long since done, there are few civilian challenges to the General's rule.

In his small but comfortable office in the Palacio Quemado hangs a painting of the waves breaking over the rocks. Banzer cannot look up from his desk without seeing it. It is the symbol of the principal foreign policy goal of any Bolivian president, the recovery of the country's access to the sea. On this topic Banzer has made more progress than most of his predecessors. He has got the acknowledgement from both Peru and Chile that the Bolivian case deserves attention, even though neither has presented acceptable proposals.

Frontage

In conversation he admits nevertheless that all has not gone according to the plans he had hoped would be realised last year. Public opinion in Bolivia, he confesses, had not been as receptive as he had hoped to the idea of an exchange of territories with Chile which would have resulted in Bolivia getting a corridor to the Pacific and a small frontage on the ocean.

Bolivia, he says, will maintain a policy of "active neutrality" if any hostilities breek out between Chile and Peru. He trusts that they will not "By 'active neutrality'," he explains, "I mean that Bolivia will do all that she can to help stop the fighting between the two countries, should it break out. And secondly Bolivia would do her best to prevent other countries being sucked into the dispute." He goes on to list a number of South American states which might be brought into the conflict. "War would he very had for us," he says. "If by some mischance the two countries did get down to fighting one would have to assume that among the first things to be damaged would he the Chilean and Peruvian ports through which the bulk of our foreign trade passes."

What about Bolivia's rail connections with Argentina and Brazil?

He makes a face. "They are much too far away and couldn't possibly cope with the traffic." Would Bolivia be buying arms to improve the readiness of the armed forces to fend off any infringement of Bolivian territory? "The equipment that I want is the sort of equipment that could be used not only for a military role but also for the development process, like the two Hercules aircraft that the air force is already buying and things like trucks for the army, equipment that could be useful for the overcoming of Bolivia's transport problems. We may be in the market for some personal infantry weapons. Don't forget that when I became president some of the army were still using Mauser rifles. But, I repeat, the emphasis will be on buying economically useful equipment. We have had many offers to supply us and good credit terms. But in the end these things all have to be paid for and I prefer to use the money on directly boosting the economy."

We discuss his recent speech to the conference of railwaymen at Cochabamba in which he referred to his desire for some form of liberalisation of the party political and trade union situation. How far and how fast would he be prepared to go?

"We've got to arrive at some sort of halfway house between the present situation and the political chaos there was before I took over the presidency," he comments. "When he was president in the 1960s General Barrientos used to say that the country was subject to a plague of what he called 'taxi parties,' that's to say parties which were so small that all their members could comfortably ride in one taxi. Before I was president I remember that there was one party which consisted of five people." He reels off a list of four common Spanish surnames. "What was the other, Estenssoro?" The information chief confesses that he cannot remember the fifth name. "Anyway there were five of them. They used to take out full-page advertisements in the Press. I used to read them and say to myself 'Caramba!' If this is what the Bolivian people feel then things are really serious." Then I would remember that after all the advertisement represented the opinion of five, yes, five, Bolivians."

I suggest to him that parliamentary democracy with liberty to form parties is one thing and dictatorship is another and it is extremely difficult to get an intermediate position. Would he be considering some sort of set-up like the Brazilians have got where political life is limited to two parties?

Difficult

"We are not here to copy foreign models," Banzer answers with a note of sharpness. "I realise it is a difficult problem and I haven't solved it yet, it's very difficult. . . ." Was his speech at Cochabamba timed to coincide with the first full day that President Carter spent in office and perhaps meant to blunt criticism in the U.S. about the state of human and political rights in Bolivia and elsewhere in Latin America? "No, not at all, the railwaymen had their meeting and I went to address it, that's all."

Didn't the same difficulties apply to the trade unions as to the political parties? Wasn't it difficult to get a halfway house between free union elections and the present system of Government-appointed 'co-ordinators'?

"I think that the union situation is less of a problem than the party political one. The workers realise now that their former leaders were very often corrupt people who made free with union funds. Now there's a good deal more honesty. And in the mines, for instance, there's been a great effort to improve social conditions." This is as may be but do not the miners want the right to a basic minimum of 80 pesos, the equivalent of £2.30 a day?

"The miners earn a great deal more than that already, if you take in their fringe benefits, like company stores and so on. No, I don't think that a future trade union policy will be as difficult to work out as a policy for the parties."

I venture to ask when the troops will cease occupying the mines. "The Government has the right to station the army where it likes in the country. And in any case the army is there to offer assistance. What I can say is that it could happen at any moment that the army moves back to its own barracks. At any moment."

Had it been wise for the President to brave the protests of many international bodies and send some miners' leaders into exile in Chile where they were reported to be undergoing hardship? "Chile was the only country which would take them. The Government is willing to pay their fares to any other country which will take them in. Europe for instance. The farther away the better."

The conversation broadens to discussion of General Banzer's economic policies and criticism voiced by the U.N. Economic Commission for Latin America among others about the apparent concentration of Bolivia's new prosperity in the hands of a small minority.

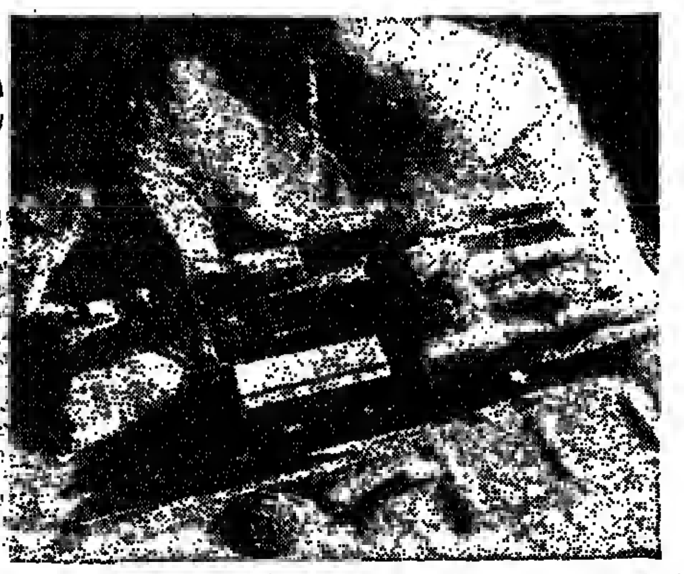
Would the Government be modifying its policies in the light of these criticisms?

"I don't think that we will be changing our policies. I feel the whole country is benefiting in one way or other from the Government's policies."

The conversation ends. Outside the President's quarters the guards with their machine guns maintain their vigil. At the entrance to the palace there are more armed guards on duty. In Plaza Murillo the strollers warm themselves in the weak afternoon sun and lounge in the gardens which have seen so much of Bolivia's often violent history.

CORPORACIÓN MINERA DE BOLIVIA

P.O. Boxes 349, 674 and 1414, La Paz, Bolivia, Cables: COMIBOL



Model of the future first Volatilisation Plant for low grade tin concentrate, currently being constructed in the La Palca region, near the historic city of Potosí

e Corporación Minera de Bolivia (COMIBOL) is the company ich has been responsible for the exploitation and administra- n of the mineral deposits of the Bolivian State since 1952, en the mines were nationalised on October 31st. It is the gest and most important company of all the industrial and mmercial activities in this South American country, and in cent years has gained in prestige in its international relations.

MIBOL employs 25,100 people, including technicians, specialist rkers, doctors and administrators, in twelve large mineral oducing companies, two mines worked by co-operatives, and o industrial plants, one of which manufactures mining uipment and the other generates electricity.

e Corporación Minera de Bolivia produces mainly tin (20.400 nnes in 1976), bismuth, copper, silver, gold, zinc, cadmium, lfram and lead.

e to the active development of COMIBOL, Bolivia now occupies cond place in the world for the production of refined bismuth, ich has a purity of 99.99%.

e Company's plans are ambitious, both in the search for new ineral deposits and technological advances, and in the couragement given to new projects, particularly the volatilisa- n of low grade tin concentrate and the hydrometallurgy of pper. New foundries will soon be opened for copper, lead d silver. Both the Empresa Nacional de Fundiciones, which ready smelts a large proportion of the tin concentrates of the untry, and the Bismuth Foundry are integrating mining and etallurgy in line with this policy.

e Bismuth Complex is centred on the *Empresa Quechisla*, 2 kilometres from La Paz.

MIBOL produces mainly tin, despite the fact that marketing carried out in conditions which are not always favourable, e to high production costs, high cost of mining equipment the mining expenditure on the international markets and the nstant fluctuations in tin quotations. The State Company pro- ces an annual average of 21,000 tons of tin, for sale in the nited States, England, Russia, Germany and other countries rougbout the world.

The deposits worked by this Corporation are exploited by the following companies: Bolivar, Catavi, Caracoles, Colquiri, Corocoro, Huanuni, Matilde, Quechisla, Santa Fé, San José, Unificada, Viloco, Empresa Metalúrgica, Oruro, Ferrocarril Machacamarca-Uncia, Planta Industrial Pulacayo, Rio Yura, Central Oruro, Bolsa Negra and Kami. The Central Offices are situated in the city of La Paz. Also in La Paz is the Board of COMIBOL, headed by General Carlos Alcoreza Melgarejo, General Manager of the State Mining Company, and Sr. Héctor Ormachea Peñaranda, Deputy General Manager.

The Bolivian State's extraction industry is the most important company in the country, generating foreign earnings which sustain the national economy, and because of its social and economic implications.

The work-force is 25,100 strong, with a total of over 130,000 dependants or relatives, all of whom have given rise to an infrastructure of significant proportion including medical care, education and accommodation, giving the miners' families the facilities and means for a dignified humane life.

The legendary Cerro Rico of Potosi, deposits of inexhaustible mineral riches, with enormous tonnages of tin still to be extracted from its depths

At the time of the creation of COMIBOL in 1952, the number of schoolchildren was only 4,416, but now that figure is 55,987, which indicates accelerated growth of child population.

COMIBOL is, therefore, dedicated to the steady foundation of more establishments to meet educational demands at all levels —nursery, infant, junior and senior, not forgetting adult literacy, and technical instruction in mining activities.

The Extraordinary Social Plan 1976-80 is without precedent in the history of nationalised mining. It covers the construction of more homes, colleges, schools, hospitals, clinics, cinemas, libraries, gymnasiums, sports fields, and other works which will give true social support to the man who dedicates a large part of his life to an industry of utmost importance to the Bolivian peoples.

Volatilisation

A project of extreme importance is being carried out in the "La Palca" region, near the historic city of Potosí, where the structure for the first Plant for low grade tin concentrate is being built. This is due to be ready to start production in the first quarter of 1978, and involves an investment of 20 million dollars.

Due to extremely new technology, COMIBOL will be able to make profitable great quantities of tin bearing material previously considered to be waste, which have accumulated over many years from silver mining, and more recently from tin mining. Four volatilisation plants are planned. The La Palca plant will have a daily treatment capacity of 400 tons, and the second, to be situated in Machacamarca, will process 700 tons daily. The technical expertise for the latter will be provided by Machinoexport, from the Soviet Union, commencing in March 1977. Machinoexport is responsible for the creation of the volatilisation complexes.

The La Palca plant will be the largest in the world, with an imposing structure of 15,000 tons of material and equipment, which will be imported from Moscow. These two plants will be in the Machacamarca region, and the Empresa Quechisla will be in the south of the country.

The Corporación Minera de Bolivia will be able to increase production volume indices by means of these four plants at very favourable cost when compared with the expense necessary for tin extraction from the subsoil.

Hydrometallurgy

Following Decisions 86 and 87 of the Andean Projects Pact of Cartegena, Bolivia is developing the initial stages of the copper hydrometallurgy technology through COMIBOL.

There are two projects for this: that at Corocoro will be of a regional character and will be for the treatment of copper oxide ores through leaching with sulphuric acid and binding with scrap iron, and the second in "Pailaviri Bajo y San Miguel" in Potosí through the bacteric acid leaching system of marginal copper ores in tailings.

The hydrometallurgy project is being supported by the technology of the Cartegena Agreement, financed by the German Government, and has the scientific assistance of the Max Planck Institute of West Germany.

The first Hydrometallurgy Plant was opened recently in the city of Oruro, and will use this technology. Bolivian technicians are currently doing research which should soon result in the design for the installation of Hydrometallurgy Plants.

Investment of US$17,500,000 is planned for the construction of hydrometallurgy systems. This is a fairly low sum considering the profits which will be generated by these plants. Moreover, the advantage of hydrometallurgy is that it does not contaminate the atmosphere—a positive factor for a nation in the initial stages of industrial development.

The new technology also has the advantage of being applicable not only to the leaching of copper minerals but also for other non-renewable natural resources such as bismuth, zinc blend, cadmium, etc.

Open Pit System

The Corporación Minera de Bolivia is carrying out a series of projects for production expansion. Amongst the projects with wide possibilities is that of the mining company Catavi for the exploitation of low grade tin concentrate by the open pit system. Enormous reserves have been discovered during initial searches in this zone in conditions highly favourable for low cost extraction.

The preliminary exploratory results have shown the existence of 80 million tons of tin at a grade of 0.30 per cent., and its commercial use in the near future will be highly satisfactory for the financial economy of COMIBOL.

Also outstanding are plans for the implementation in several mines of the Track Less System or mining without rails, and the use of gigantic dredges in other mining sectors.

The Corporación Minera de Bolivia puts great emphosis on the education ond technical studies of the miners' children. The new miner will have a better social ond economic future

Weakened by over-emphasis on short-term business, while wallowing in excess liquidity, Bolivian banks are at last directing their efforts towards productive industry. But to many borrowers, foreign credit is still a cheaper alternative.

Banking develops

"YOU CAN'T walk out into the street during the day, or take a taxi," said a banker in La Paz by way of excuse for arriving late, "without getting at least one loan request." Bolivians these days are using the banks on an unprecedented scale, most banks are blossoming on fat deposits, and bank buildings are achieving the admittedly not very difficult feat of looking more impressive than Government offices.

Recently the sharp increase in private savings in the banking system has provided perhaps the most obvious indication of people's increasing confidence in the country's economic institutions. But while it is expanding, the banking system in Bolivia is still at a rudimentary stage of development.

Although La Paz now counts some 17 commercial banks, they all deal with only the bare ingredients of current accounts, *savings accounts* and *time* deposits. Most of their lending is in short-term operations, and there is no such thing as a *secondary market*. Instruments such as bankers' acceptances do not exist.

The elementary nature of Bolivian banking to date is already leading to some distortions. Holding low levels of capital and reserves, the banks' cash flow comes almost entirely from deposits. Since these have recently been growing faster than credits, the system is suffering from excess liquidity hovering around $7.5m. According to some sources it has occasionally gone up to $20m.

Improvement

Sr. Carlos Calvo, the Finance Minister, has himself headed both foreign and Bolivian bank offices in La Paz, and is concentrating on improving and dynamising the sector, which is not known for its openness to radical change. If, as the 1976-1980 Economic and Social Development Plan proposes, Bolivia is to get more than two-thirds of its needed investment from internal savings, then the banking sector has a big role to fill.

Domestic bank assets rose by some 25 per cent. last year, with total deposits increasing by as much as 70 per cent. A large part of the inflow appears to have come from small savers, after a slowdown in savings in 1975—a result of the sudden upsurge of consumer spending that followed Bolivia's economic upturn in the wake of higher oil prices.

The increase also reflects Sr. Calvo's efforts to make savings more attractive. For the first time, time deposits have come into widespread use. Individuals can keep deposits in Bolivian banks in foreign currency, and on peso deposits they can currently earn 11¾ per cent. interest, which compensates for inflation, plus a dollar guarantee, which means that if the peso should be devalued the deposit will retain its *original value* in *U.S. dollars* and be paid interest accordingly.

The favourable terms offered have led a number of better-off Bolivians with accounts or investments overseas to repatriate their capital, sometimes in very large amounts. Estimates of total funds *repatriated vary from between* $5m. and $10m. from independent sources to between $30m. and $50m. from Government sources. However, the inflow does not yet offset the leakage of hard currency abroad, generally put at around $10m. a year plus a further $40m. which goes on contraband.

At the same time the growth of credit to both public and private sectors has been sharply cut back. This is partly because big companies which have borrowed to offset operating losses have already overborrowed, while companies running at a profit have continued making deposits. Another factor is that a lot of medium-sized companies have preferred to look for foreign credit, which comes considerably more cheaply than bank borrowing in Bolivia.

Interest on loans starts at a basic 15 per cent., *considerably* higher than the rates which can be obtained abroad. On top of this, industrial borrowers have to pay a 1 per cent. tax and another 3 per cent. levy which goes to employees' funds. Commercial borrowers have to pay 15 per cent. plus 7 per cent. tax, plus the 3 per cent., which makes a formidable 25 per cent.

Importers' demand for credit, according to bankers, has been checked by the compulsory deposit system, which requires them to place beforehand 25 per cent. of the value of goods to be bought for a period of 120 days.

Further monetary measures to keep the level of borrowing down have included ceilings on individual loans, of $40,000 to commercial clients and $75,000 to industrial borrowers. The Government has attempted to channel a larger proportion of credit into the productive sector. In August 1975 it increased from 70 to 75 per cent. the proportion of a bank's credit operations that have to go into productive uses, or rather, that have to appear to go into productive uses. Loans are granted on the basis of companies' declarations, and there is no supervision of the way *in* which the money is actually spent.

The weakest point in the banking system, and it has been for some time, is the State sector. The Banco del Estado, one of the pillars of the State banking system, and important in Bolivia's international dealings (it guarantees private sector loans in the same way that the Central Bank guarantees public sector loans), started getting into serious trouble in 1972. The bank's credit operations grew in excess of its resources, it began borrowing heavily and fell short of the legal reserve requirements.

As in other financially weak parts of the State apparatus, the Government's approach has been to drum in a new manager, in this case Sr. Jorge Tamayo, and overhaul from the top. Since the changeover the Banco del Estado has once more, as a private banker put it, "become respectable."

Two other State banks, the Banco Agricola, which finances mostly small farmers, and the Banco Minero, which is the backbone of the 6,000 or so "small mines," many of which are co-operative ventures, have also been in deep financial water, unable to recover credit from loss-making clients.

In some farming areas, especially in Santa Cruz, the non-recovery of credit is an occupational hazard. In the Banco Agricola's case it followed heavy investment in sugar and rice plantations, which resulted in over-production. But it is impossible to tell to what extent producers used the situation as an excuse not to repay debts, and the same applies to the flood damage early this year in Cochabamba and Santa Cruz, following a long drought. Damage in the two areas is provisionally put at $10m. to $15m.

Bureaucracy

Reforms and staff replacements in the State banks have not yet affected the Central Bank, whose task is made easier by the lack of exchange controls but which has built up a considerable reputation for bureaucracy. Its working now contrasts sharply with those of the dynamic young technocrats who speed along the corridors of Sr. Calvo's Finance Ministry.

The Finance Ministry maintains a close relationship with the handful of foreign banks established in La Paz, which have played leading parts in handling Bolivia's international borrowing. Figures for the end of last year show foreign banks holding more than a quarter of total deposits. *They operate* under slightly more stringent conditions than the 12 local commercial banks, for instance having to put up a minimum capital of $2m. instead of $1m.

The weight of the foreign banks' influence in the country is a source of considerable resentment among their Bolivian counterparts, and this may be one reason why more have not set up. Three of the resident foreign banks are Latin American — Banco Popular del Perú, which in terms of deposits is the most important of all the commercial banks, Banco do Brasil, currently the most profitable, and Banco de la Nación Argentina. The others are all from the U.S.—Bank of America, Citibank and Bank of Boston. The only European interest is a representative office of the Deutsch — Südamerikanische Bank. It seems likely that in future, other representative offices will be set up as intermediary stages toward branches.

Banks like Citibank s heavily geared to servicing th public sector, which occupie two-thirds of Bolivia's economi activity. The banks' best bu ness is in syndicated loans the Government and the b State corporations, although lot of business is also done wi private mining companies an in export finance for commod ties such as sugar. Bank America manages more or le to balance its public and priva sector operations.

In order to make an ent into the foreign banks' b business preserve, locally own commercial banks have forme a pool called Union de Banc Bolivianos, which has produce several consortium loans, amo them one for wheat impor from the U.S.

A fundamental weakness the system remains that t bulk of business is short ter But some bankers believe th will change as the prese growth continues.

The first independent inve ment bank, Banco de Inversi Boliviano, is being set up U.S., Bolivian and Canadi partners to channel in mediu term money from abroad, a is currently awaiting a go-ahe from the Central Bank.

The Government meanwh is studying how it can bett regulate and use the bank system as a whole, and is c sidering the setting up of n kinds of financial institution also has the task of reinforc the capital base and reserve the bedeviled state banks. W ing the system to the sophisti tions of secondary markets take a long time, and it will even longer before Bolivia such things as a stock excha

One important innova that may be on the way, h ever, is the setting up of National Development Bank fill a financing gap in the sta up of new projects.

D.V

The controversial Comibol corporation, a nationalised industrial conglomerate and Bolivia's biggest employer, has had financial problems. But it is hoped the new administration will soon reverse this situation.

Comibol thrives

THE WORD Comibol to the Bolivian hearer *conjures* the sort of images that in Britain are conjured by the words British Leyland, British Rail, Unilever, Rowntree and the National Coal Board. That is to say that a welter of conflicting emotions are aroused by Comibol, the Corporación *Minera de Bolivia*.

It is nationalised; it is the biggest employer in the country; it has often in the past made a loss and been seen to be a drag on the economy; it has a reputation of being overstaffed and under-efficient; it has accepted the role of a welfare state *within* a state, which it has carried out with varying degrees of success. As the principal Bolivian exporter it has become and remains essential to the economic life of the country and, depending on the point of view of the observer, is either the final proof of the inherent inefficiency of the public sector or the standard bearer of public sector enterprise which has made the best of some very bad circumstances.

Comibol was created on October 2, 1952, during the revolution of that year to assume control over the mining interests of the Patiño, Aramayo and Hochschild groups which had dominated Bolivian mining for most of the century. The corporation had a difficult beginning. The mines which it inherited produced an enviable range of ores, principally tin, but also silver, gold, lead, zinc, bismuth, copper and wolfram. But many of them had been worked too hard and were lacking in reserves. Labour relations were extremely difficult.

It was hardly surprising then that Comibol, hard up for the capital needed to modernise and expand, should have seen its output sink alarmingly during the 1950s. From a production of 26,034 tonnes of tin in 1953, Comibol in 1961 found itself producing 14,829 tonnes. Silver production dropped from 167 tonnes to 89 tonnes, lead from 9,488 tonnes to 6,750, wolfram from 1,187 tonnes to 421 tonnes, and zinc from just over 21,000 tonnes to just over 4,000 tonnes. Similar disastrous falls in production were seen in antimony and *gold*. *The only* bright spark was a growth in bismuth production from 53 tonnes to 215 tonnes.

Comibol was in a production crisis which was magnified by the indifferent prices that it was getting for its ores. When things were at their blackest help came in the form of the so-called Triangular Plan under which the U.S. and West German governments and the Inter-American Development Bank loaned $37¾m. for a rescue operation.

The Plan was by no means as successful as its progenitors hoped it would be. It was able to finance some capital re-equipment but it did not run to the sort of social investment which would have allowed the employees of the corporation, notably the face workers, to achieve that standard of living conditions which might have persuaded them to give up their extreme, and one must add justified, militancy.

Dangerous

Working in often dangerous and always unpleasant *conditions at heights of up to 15,000* feet above sea level, the miners were understandably keen to hang on to any privileges that they could.

Despite difficulties in the 1960s Comibol started climbing back. In spite of a month's strike at the principal mines in June it reached its target of producing more than 20,000 tonnes of tin, with correspondingly satisfactory results for the other *metals* and *for cadmium*, a metal which Comibol *first* began to produce in 1969.

The improved production results, combined with better prices for the products, enabled the corporation to turn its back on the $11m loss of 1975 and turn in a modest profit of just over $4m. on total sales of more than $200m.

International tin prices which had during 1975 been on average less than $3 a pound recovered to an average of $3.38 during 1976 and to $3.75 during the second half of that year, nearly $4.50 in January 1976

Comibol still has to face fact that as a nationalised in try it must sustain unecon pits in a country where mi is the only source of emp ment in some areas. Of the mining divisions of Comibol three are really remunera Huanuni, Caracoles and Bol with a fourth, Quechisla borderline case. The rest unprofitable but impossible close down.

Labour relations remain problem. With the coming power of General Banzer in the COB or trade union federation was supressed November, 1974, and the gov ment cracked down on FSTMB, the mine wor union. Despite this, worker the *principal* mines went strike in June in support claim for a 110 per cent. increase and a basic daily of $4. Before talks had started the government troops into the mines and are still there.

As a result of tough gov ment tactics including the missal of many strike le and the exile of some to the *strike* folded after a mo

A few months later Com made an offer to the wor which gave an overall incr of around 30 per cent. launched a new plan to s $138m. on new social amen and $20m. a year for years on the provision of fabricated homes for workers. Of the corporat 25,000 workers about 6,000 estimated to be living with *familles* in unsatisfac houses.

Sr. Héctor Ormachea, de to Comibol's general man General Carlos Alcoreza, his aim is to separate union considerations political considerations in mines and by a policy of spending on social pro from houses and holiday c to schools, hospitals and s complexes, bring the m round to a more co-opera attitude towards manage He forecasts that once

CONTINUED ON NEXT PAGE

Bolivia has traditionally suffered the erosion of its frontiers by its neighbours and with only a small army its problems now are as great as ever. In addition there are worries of war breaking out between Chile and Peru.

Foreign policy

HE JOB of formulating and xecuting the foreign policy f Bolivia is hardly one to be nvied. A geographically large ut poor and underpopulated nd, Bolivia has throughout its istory suffered the erosion of ts frontiers by all its five eighbours. To-day, with less han 5m. inhabitants, a very mall army and potentially ellicose countries on its orders, the problems it faces re as great as they have ever een in its history.

The most pressing worry the olivian Foreign Ministry faces s the possibility that its two ighbours on the Pacific coast ay start fighting each other. s the centenary of the War f the Pacific of 1879, when hile won a crushing victory nd much territory from Peru, pproaches, there is much peculation in Latin America hat Peru will seek to take dvantage of Chile's interational isolation and its ifficulties in buying arms om abroad to square accounts. t the same time many wellnformed people in Santiago, e Chilean capital, feel that eneral Augusto Pinochet, hose Government is increasgly unpopular and scandalidden, could make a preptive strike against Peru as way of trying to rally the tensely nationalistic Chileans ound him.

Though much of this specution has fed upon itself in exaggerated manner the hole situation is extremely settling for Bolivia. Few ilitary analysts think that ther of the potential bellerents would resist the mptation to take a swing at e other through Bolivian rritory. The corridor along nich the Chileans and Peruvians face each other is only about 100 miles wide and much of that is extremely mountainous. The assumption is that either side would find a strategic justification for trying to outflank the other by marching through, or flying over, Bolovia. With a small and poorly equipped army the Bolivians are justifiably anxious that the war clouds over their neighbours should be dispersed for good and all.

Bolivian diplomatic efforts in so far as they have any influence, must be bent towards helping to defuse the war of words between Lima and Santiago. As a recent article in the La Paz daily Presencia commented, "an international conflict would be our *definitive and irremediable ruin.*"

Limited

Meanwhile, General Banzer has the difficult task of deciding whether to spend some of the country's extremely limited resources on improving the readiness of his armed forces by buying armour and anti-aircraft equipment from Britain or other foreign suppliers or to trust that the war clouds will eventually disperse.

Bolivia at the same time feels it must continue the campaign it has been waging for decades to recover the access to the Pacific Ocean which it lost when Chile conquered the Bolivian littoral in the War of the Pacific, territory which included the sites of the present Chilean ports of Antofagasta, Cobija and Mejillones. Ever since the Bolivians formally acknowledged the loss of the littoral in the peace treaty of 1894 they have dreamt of recovering some access to the ocean. And the dream of the "salida al mar" has been a national objective which few Bolivian governments, whatever their politics, have dared or indeed wanted to give up. "The Pacific is engraved on the hearts of many Bolivians in much the same way as "Calais" was on the heart of Mary Tudor.

In 1975 General Banzer and General Pinochet met in Charaña, a village on the Bolivia-Chile border, thus bringing to an end more than 12 years of strained relations when Bolivia broke off diplomatic ties with Chile over the Chilean use of the waters of the River Lauca, which rises in Chile but which flows into Bolivia. The meeting in Charaña was the *beginning* of the first *set* of negotiations aimed at satisfying Bolivian desires.

Some months later the Chileans made a first offer, a clever move by General Pinochet who appreciated the growth in world opinion, particularly within the United Nations, of sentiment in favour of landlocked countries of the world and who understood the importance to his own military junta, condemned as it was for its internal policies by an overwhelming majority of States, of securing the alliance of the Bolivians. He suggested the ceding of a small corridor of territory to Bolivia along the northern-most edge of Chile on the latter's frontier with Peru. In compensation the Bolivians would cede to Chile equal parts of their territory at their choice. Bolivia then, if it wanted and could afford to, might build a port of its own under its own sovereignty on the narrow piece of ocean frontage it gained.

This deal, to which General Banzer agreed in principle, now however, seems a distant prospect. The Peruvians, who retain certain rights in the Chilean port of Arica, were unhappy with the idea, which would have put a buffer of Bolivian territory between Peru and the former territories of Arica and southwards which Peru once controlled. The *Peruvian government* therefore put forward at the end of last year a counterproposal which envisaged the buffer zone of Bolivian territory along the Chilean-Peruvian frontier stopping short of the Pacific and a small zone of 66 square kilometres along the coast between the Chilean port of Arica and the present Chilean-Peruvian border being set up under tri*partite jurisdiction*.

This Peruvian idea was immediately *rejected* by the Chileans, and this, together with the feeling inside Bolivia that the original Chilean idea of an exchange of territories between Bolivia and Peru was not liberal enough to Bolivia, has meant a virtual end to ideas of a Bolivian corridor to the Pacific for the moment. Meanwhile there are rumours that Chile will offer Bolivia some sovereign territory in the region of the port of Antofagasta, a move which would get round the problem of Peru's rights in Arica. But such a plan would not presumably give Bolivia a corridor of Bolivian territory to the ocean since such a corridor would then cut the main part of Chile from its territories to the north of any Bolivian corridor. An alternative, which would mightily upset the Peruvians, would be for Chile to lease Bolivia a corridor to the sea on former Peruvian territory.

What the fertile brains of the diplomats of the three countries will eventually come up with is anyone's guess. In the interim the more realistic of Bolivians understand that access to the Pacific will not, as has sometimes been represented, be a panacea for all Bolivia's economic problems. General Juan Lechin Suárez, former ambassador in London and now *Minister* for Planning and Co-ordination, remarked in an interview that he felt that one of the main pillars of the present government's policies was an increasing emphasis on access to the Atlantic. "By 1980 you will be seeing much more of our trade passing through the ports of Rio de Janeiro and Buenos Aires," he said.

If only Bolivia can improve communications with Argentina and, more especially, with Brazil a great deal more trade could flow. At present Bolivia is selling most of its oil and all its natural gas exports to Argentina. There are hopes that when the iron ore deposit at Mutún in the far south-east of the country is developed ore or sponge iron will be able to be shipped down the River Paraguay to Argentine steelworks. The British consulting firm of Livesey and Henderson is at the moment undertaking a study of the feasibility of such river *traffic*.

Expand

As an indication of its desire to expand its relations with its *neighbours* to the south-east Bolivia is a member of the River Plate Basin Agreement which includes Brazil, Argentina, Uruguay and Paraguay and of URUPABOL, a grouping of Bolivia, Uruguay and Paraguay, both aimed at improving international co-operation on the infrastructure and communications of the region. But neither of these groupings has yet made any very positive or concrete moves.

The neighbour which has had most influence on Bolivia, politically and economically, has been Brazil. Brazil, with its enduring government and its huge population and territory, has had a big impact on the thinking of General Banzer. Brazil's desire for rapid growth and its policies of favouring private enterprise and State capitalism over the immediate interest of the workforce is reflected with some faithfulness in the corridors of the ministries in La Paz. An Argentine economist in La Paz remarked, "I feel that Bolivians are closer to Argentina but they feel that Brazil can offer them more."

As traders Brazilians have done well in Bolivia as is testified by the Brazilian Volkswagens which buzz around the streets of La Paz and by the spanking new buildings and large profits of the Banco do Brasil.

The biggest sale that Bolivia is ever likely to make to Brazil—that of 240m. cubic feet of natural gas a day—has yet to go through. Brazil's need for financial stringency has so far outweighed its need for this big new source of energy. But when the deal is eventually signed it will make Brazil one of the country's most important trading partners and probably bring Brazilian technology over the border into the province of Santa Cruz where the Bolivians hope to build a steel industry near the site of the Mutún ore deposit.

Contacts with its fifth immediate neighbour, Paraguay, are minimal. There is little trade to be done—though there is a good deal of *smuggling*—and the journey by road from La Paz to Asuncion is one which requires tough vehicles and favourable weather.

Bolivia's hope of extending its contacts with Latin America outside the range of its immediate neighbours are fixed on the Andean Pact. After the expulsion of Chile from the Pact at the end of last year by the other five members (Venezuela, Colombia, Ecuador, Peru and Bolivia), who had become more than irritated by the blocking action of General Pinochet's Government there are hopes that the Pact will recover some of the liveliness it enjoyed in the early 2970s.

In the sphere of industrial programming—the division of responsibility for manufacturing various ranges of goods among the members of the Pact—which represents perhaps Bolivia's only hope of acquiring a diversified manufacturing sector, agreement has already been reached on the redistribution of Chile's share of the automobile industry and Bolivia has been assigned various new lines. The hope in La Paz is that it will not be long before Bolivia will be starting to assemble vehicles which can count on an assured market within the group.

The visit to La Paz last month *of* a high-level Andean Pact mission, led by the Pact Co-ordinator, General Luis Barandiarán, signalled the acknowledgement by the Pact that Bolivia had been the country which had received least benefit from its membership of the organisation, a thesis which was presented to General Barandiarán in no uncertain terms by General Lechin.

Solution

The proposed solution, concerted assistance for the strengthening of Bolivian business with financial and management expertise from within the Pact and without, together with support for Bolivia's international marketing strategies, should, if carried out promptly, assuage Bolivia's discontents.

General Barandiarán also held out the prospect, which could well be fulfilled, of the Andean Pact as a whole becoming a fast growth area.

Outside the Latin American region Bolivia's closest relationship is with the U.S. Washington has in the past been a good friend of the Banzer Administration, which it regarded as a welcome *change* from the Left-wing populist Government of General Juan José Torres. U.S. aid has consisted of everything from direct financial assistance and help with loans from the World Bank and the Inter-American *Development* Bank to military training and help with security.

The inauguration of President Carter last month and his talk of paying greater attention to questions of human rights in the context of U.S. relations with foreign governments has nevertheless made the Banzer Government wonder whether the incoming Administration and Mr. Vance will be as favourable to it as Mr. Nixon, Mr. Ford and Dr. Kissinger were.

Despite its anti-Communism the Banzer Government has continued the close co-operation on mining and metallurgical matters which was first developed with the Soviet Union in the 1960s. Russian plant and technology are being used by both Comibol and ENAF, and will be important for the new lead smelter that ENAF is starting to build.

As far as the European Community is concerned, its importance as a trading partner has dropped since the days when Britain was the importer and refiner of most of Bolivia's tin ores. Nevertheless, France has tried to improve its relations with Bolivia with visits by General de Gaulle and M. Giscard d'Estaing; and Germany, which in the past sent thousands of emigrants to Bolivia, including General Banzer's own parents, and which helped to train the first modern Bolivian army, is still a big market for Bolivia's minerals and a source of much plant and technology for the mining industry.

H.O'S.

Comibol

CONTINUED FROM PREVIOUS PAGE

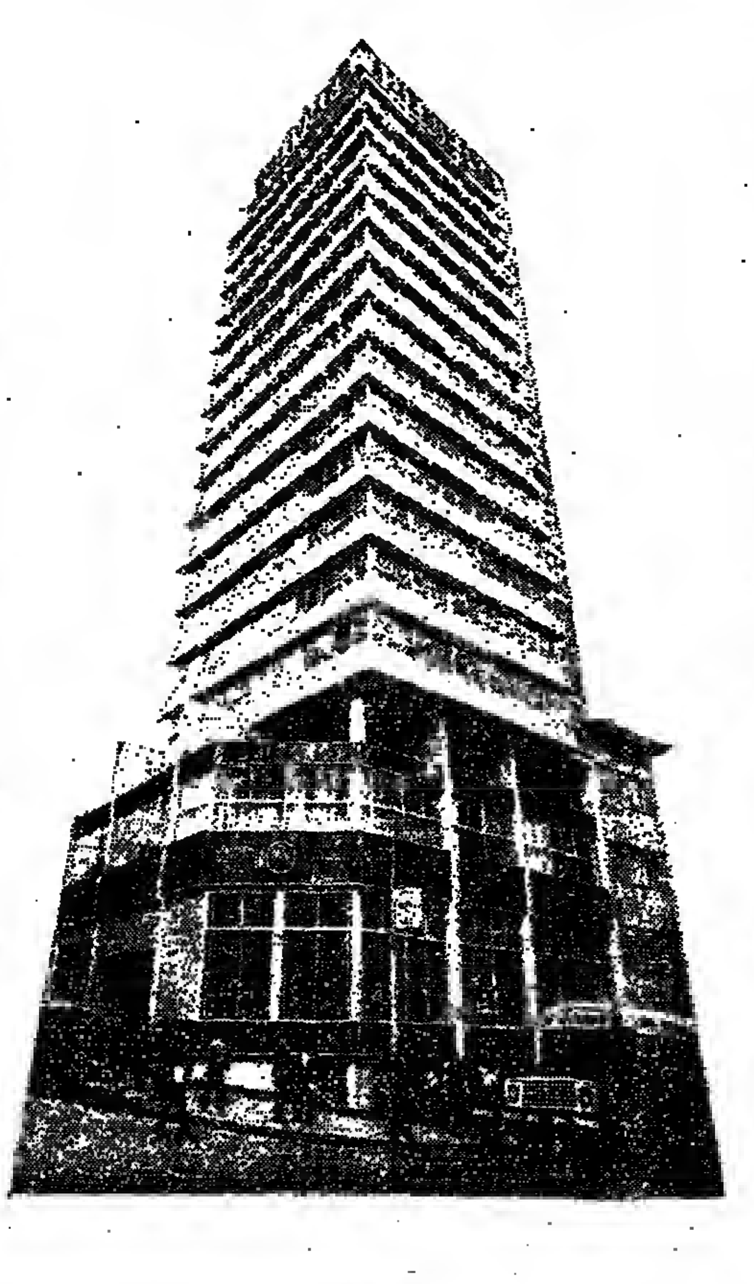
miners realise what management is attempting to do for them they will care less about the politics which have been their passion for much of this century.

Comibol, he claims, already had to carry a heavy social burden in maintaining unremunerative mines and in providing the social infrastructure for isolated mining communities. This includes subsidised company stores, cinemas, football fields and medical facilities.

In addition to mining as such, Comibol controls 106 kms of railway from Machacamarca to Uncia, a hydroelectric plant on the River Yura, and an engineering factory employing 260 people at Pulacayo which makes equipment for the corporation.

During the last half of last year the administration of Comibol underwent a thorough overhaul, particularly as far as its financial performance was concerned. Faced with a big shortfall in its cash flow because of low export prices, rising costs of imports and a very big inventory, Comibol was often unable to meet its commitments to its suppliers. Under new management and with the help of a number of foreign loans the financial situation is now under much better control.

H.O'S.



Like many developing countries, Bolivia has a vulnerable economy—and a wealth of under-used mineral resources. Although it has suffered from world recession, it seems set fair to take full advantage of recovery, and it now has ambitious plans to develop its own processing plant.

Changing mineral wealth

THE LABOUR crisis which broke out in Bolivia's mines in the middle of last year appears to have been overcome, partly by force and partly by negotiation. But the relative calm that has existed since then has not diminished a range of other problems facing the mining industry, on which Bolivia's economy still largely depends.

The principal tin mines have been under army occupation since June, when the Government moved in against a general strike and political protests sparked off by the murder of ex-President Torres in Buenos Aires.

The state of siege in the mines brought home once more the explosive combination that Bolivia keeps underground—its vital minerals and a permanent centre of unrest. Part of June's events appear to come straight from Zola's 19th-century mining novel, Germinal. In the huge Siglo XX tin pit, declared "free territory" by the strikers, miners' wives joined the campaign underground. One of them, Sra. Domatila Chungara, who before had sold savoury pastries outside union headquarters, gave birth to twins inside the mine shaft. She was afterwards arrested.

The confrontation was defused more smoothly than might have been expected. Although there were violent incidents after the troops had moved in, the initial operation was carried out virtually without injury. The unions were closed down completely and their remaining leaders held. Some have since been exiled or sent to other parts of the country, some are still detained at a political prison near La Paz's Viacha railway junction, but others have been released.

Elections were held, by all accounts freely, for miners' committees to negotiate demands with Comibol, the State mine company. Wage increases of 22 to 30 per cent. have been accepted, although these were lower than the unions had at first requested. Comibol committed itself to a programme of extra schools, health, housing and recreation facilities costing $8m. last year and $15m. a year until 1980, and promised to review its company structure.

But one significant element of the labour troubles was that for the first time they also hit the private mines, smaller units left over when the properties of the three "tin barons" were nationalised in 1952. The so-called "medium mines" had previously had a fairly good labour record. Although their strikes lasted only from one to four days, compared with a fortnight in the biggest mines, they added to a growing feeling of precariousness among some of the smaller operators.

On the international front, the sharp recovery in the price of tin to over $4 a fine lb has tended to disguise the fact that production at home has been stagnating. Output of tin, for 60 years Bolivia's main export, will probably be just below the traditional 30,000 tonnes. The State mines last year are thought to have fallen 1,500 tonnes short of their 18,000 tonne target, and may fall short of their 23,000 tonne projection this year. The medium mines expect to increase tin output by 10 per cent., following a 1 per cent. drop last year.

Neither the State mines, burdened by a political and social function which debars them from closing down unprofitable operations, nor as a rule the medium mines, nor the 6,000 or so "small" private and co-operative miners have been able to explore far ahead of themselves. Bolivia's underground tin mines bear some of the world's highest costs, and these have been sharply increased since the 1973 oil crisis by a threefold price increase on many types of machinery, nearly all of which has to be imported from the U.S. Comibol puts its production cost—the highest—at $3.72 per pound, although some experts believe this may be slightly exaggerated.

Margin

In 1975, the lack of a margin over costs forced some of the smaller mines out of business, including the only copper mine to be included in the "medium" bracket, Chacarilla, which until then was Bolivia's second copper producer.

Some of the tin has been running out, and there have been no really big new discoveries, although the State company has plans for an open-cast pit next to its depleted Siglo XX mine, which it is hoped will extend the area's activity for another 24 years; and a smaller privately-owned site is being developed nearby. It may be that President Paz Estenssoro's rather premature statement the year after the 1952 nationalisation—"It seems we are coming to the final tin cycle"—is beginning to come true.

However, the exploration effort is being stepped up. The State sector, which at the same time is engaged in modernising its mines to bring them into line with the more efficient big private operations, has announced overall spending of $112m. in minerals this year, including $17.8m. in concentration activities, while the medium mines, which produce a quarter of the country's minerals, plan to invest $21.7m. In the sphere of the small miners, the State-owned Banco Minero, though recently in deep water is expected to plough in $15m. of finance this year, including $9m. of World Bank money.

In order to reinforce the tin sector, Comibol is negotiating a joint venture with London Tin Company, in which the Anglo-Malaysian group would hold a 55 per cent. majority. The $10m. project, Playa Verde, will be Bolivia's first alluvial tin venture, making use of London Tin's experience in the field in Asia.

More joint ventures with foreign companies may well follow this precedent. There is talk of lead, zinc and silver mining projects and a bismuth smelter and refinery being developed in conjunction with U.S., West German, and Japanese groups.

So far the biggest injection of foreign money comes from New Jersey Zinc of the U.S. in a 50-50 joint venture with private Bolivian capital, which has invested an estimated $8m. in a zinc project and is putting a further $20m. or so into tin, due to start production by the end of next year. Its zinc venture comes into full production this year, and the medium mine sector's zinc output will double as a result to some 30,000 tonnes, after dropping 20 per cent. in 1976.

Tin still makes up more than half Bolivia's mineral exports, in turn more than half the country's total exports, but more emphasis is now being given to other metals. Medium miners have been exploiting zinc since 1972 and have since started up in bismuth. International Mining Company, the largest non-State operation, which used to be run by W. R. Grace of the U.S. before Grace pulled lock, stock and barrel out of South America, is active in wolfram as well as tin. Another company, Emusa, a family venture like most of the medium mines, ranks number two to South Africa's Consolidated Murchison as an antimony producer. Private output of these two minerals is expected by the National Association of Medium Miners to increase by 16 and 13 per cent., respectively, this year.

Foreign shareholders have important stakes in two big tin companies, Comsur, which also produces antimony, lead and zinc, and Fabulosa Minea Consolidated. A gold mining venture, Camino Gold Mines, yet to start producing, is being mostly financed from Canada, while Metal Traders has a 100 per cent. antimony subsidiary, Churquini Enterprises. Other foreign companies are expected to qualify shortly for the medium mine bracket.

Medium miners have been able to exert considerable leverage at a national level, and internationally through International Mining's Sr. Carlos Iturralde, who has represented Bolivia at the International Tin Council and was also a founder of the tungsten producers' cartel.

Nevertheless, private operators feel they are placed at a serious disadvantage by the Government. They have to follow Comibol's lead in bearing social and infrastructure costs, which in Comibol's case are now running at about $22m. a year split between schools and other facilities such as hospitals. These are expensive, and the bigger private mines choose to run their own health service rather than subscribe to the Government's, which is poor. Most mines are in remote, barren locations. With a couple of exceptions, like New Jersey Zinc's Caballo Blanco operation a few miles outside Potosi, workers all have to be housed on the site, and the cost of accommodation becomes a big factor in deciding the viability of a new mine.

Excessive

Miners also feel they are bearing an excessive tax burden. As distinct from most other businesses, which are taxed on profits, minerals are subject to a system of export royalties, payable in cash at the moment goods cross the border. This means that taxes have to be paid before an assignment reaches a sea port, since Bolivia's ports are in Chilean territory. Goods can often be laid up unsold for months at Antofagasta, with taxes already paid.

According to the medium miners' association, minerals contribute a fifth of the Government's fiscal revenues and about 40 per cent. of this comes from the private sector. "In terms of profit — when there is any — taxes paid by medium mine companies represent between 60 and 90 per cent."

A commission of tax experts from Harvard, brought in by the Government, is recommending that the royalties be replaced by a profit tax. This seems likely to be implemented to the mining companies' general satisfaction, although some people in the business believe it will greatly increase the amount of fraudulent practice. "At least you can see the o when it goes out."

Companies are also seekin tax write-offs for what they spend on exploration, sin exploration work has been h by the rise in costs.

With a much trimmer labour force — 7,800 for the medium miners' 25 per cent. of the business, against 24,000 for Comibol's 65 per cent. — the private sector does not suffe the same scale of costs th besets the State mines. B mines with small capital resources are nonetheless und considerable cost pressure, and some may fold this year. Conditions for mineworkers in some of the smaller operations in the medium bracket are ackno ledged to be extremely grim.

D.W


Tin mines, like this at Oruro, are a major prop of the Bolivian economy.

Prospects are good

BOLIVIA IS a mineral rich country. Apart from being the second biggest tin producer in the world, it claims to be the biggest single producer of bismuth and an important supplier of several other "minor" metals such as antimony and tungsten, as well as having resources of silver, copper, lead, zinc and iron. In addition the mineral resources include oil, phosphates, and asbestos.

The main problem in the past has been not only locating the economic deposits, known to exist, but also to organise their exploitation in an efficient and profitable manner.

However, the general concern in the world about the decline in available minerals, needed in increasing quantities as industrialisation spreads and living standards rise, has provided a new impetus to efforts everywhere to make the most of natural resources. Extra incentive has been given by the general rise in price levels during the last commodity boom, which highlighted, together with the oil crisis, the dependence of the industrialised world on raw materials, supplied mainly by developing countries like Bolivia.

Despite political differences, and the difficulty of raising the huge sums required nowadays to exploit mineral resources, there appears to be plenty of co-operation and assistance available to Bolivia in the task of diversifying away from too much dependence on tin into other metals and minerals.

Ventures

Various exploration ventures have been arranged in conjunction with the UN, the World Bank and the U.K., West Germany and the U.S., to examine possibilities over a wide range of areas and minerals. At the same time programmes are in hand to try and improve the structure of Bolivia's mining industry, which has been wasteful of natural resources in the past, with small-scale mining in often unprofitable circumstances failing to make the most of high-grade ores. There are estimated to be over 5,000 small mines, of which some 3,000 are being worked at present, but it is hoped that a detailed inventory of these mines by Geobol (the Geological Survey of Bolvia) will help to decide the possibilities and cost involved in rationalising groups of small mines into larger and more efficient units.

Technical and financial assistance from foreign companies and countries is also being encouraged in the processing of the minerals resources to be exploited. Apart from expanding tin smelting facilities, there are also ambitious plans for the development of new smelte for copper, lead, zince and silv as well as antimony a domestic smelting of bismu from one of the few bismu mines (it is usually produced a by-product) in the world.

On a political level Bolivia h been playing an active role the World Tungsten Produce Association, which has be seeking to ensure a more stab market compared with the ve volatile price movements in t past.

However, moves with the U Conference on Trade and Development for international agr ment on tungsten between pr ducers and consumers ha made little progress desp several meetings.

Producer enthusiasm f tungsten price stabilisati measures is not great at prese since world market values ha been rising steadily, shrugg off the economic recession th hit other metals so badly.

With a general recovery the prices of the other met produced by Bolivia and industrial activity picks worldwide, prospects look for the Bolivian mining sect as it expands output of the ra materials that are likely to in increasing demand. But will take a long time yet a a great deal of money to reali anything like the country's potential.

John Edward

The smelting revolution

BOLIVIA IS in the middle of an industrial revolution which started a decade ago when the country began to make plans to smelt the bulk of its own tin ores for the first time. By the middle of the next decade Bolivia should have transformed itself from a producer of ores and concentrates to a producer of finished metals. The importance of this change to the economy can scarcely be over-estimated.

The chosen vehicle for putting into execution the smelting of Bolivia's non-ferrous ores is the Empresa Nacional de Fundiciones (ENAF) which was created under the Government of General Rene Barrientos in 1966. Four years later, in September, 1970, ENAF's first tin smelter came into operation at Vinto, a few miles outside the tin mining centre of Oruro.

In its first full year of operation, 1971, it produced 6,814 tons of high-grade metal for export, which brought in nearly $24m. In 1975 production had risen to 7,505 tons, which was sold at the much better price of $51.5m. Vinto at the moment has the capacity to process up to 20,000 tons of metal from high and medium grade ores. Work has already started on a big $48m. extension to Vinto to allow it to cope with low-grade ores, from which, by January, 1979, it hopes to be able to produce a further 30,000 tons of tin. Thus, by the end of the decade Bolivia should have the capacity to transform into tin all the ores it now exports and do away with its present reliance on refineries in Britain, the U.S. and elsewhere.

As ENAF has built up its refining capacity so it has built up its own store of technical expertise. While at the beginning of its life it was merely a buyer of what is considered the best foreign technology it could find, it has slowly expanded its own radius of action so that it is now able to direct plant contractors as to which processes to use. Sr. Jorge Lema Patiño, the technical director of ENAF, says that his corporation has now been able to make substantial adaptations and improvements to smelting techniques to adapt them to the high altitudes of Bolivia.

The wheel, it appears, has turned full circle since the days of the early 1960s when the world's experts on tin smelting met in La Paz to lecture the Bolivians on the reasons why it would never be possible to produce high-quality tin at 12,000 feet.

ENAF is not, however, limiting itself to processing just tin when Bolivia produces a great variety of other ores. Later this year the corporation is to sign a contract for a $9m. plant to produce tungsten powder and tungsten. This plant, which will be set up by ENAF in conjunction with International Mining, expects to be producing at the rate of 2,450 tons a year at Viacha, close to La Paz, by the beginning of 1980.

Later this year too the green light should be given for one of the biggest of ENAF's projects, that for the building of a $100m. silver and lead complex somewhere in the relatively neglected department of Potosi. ENAF's partner this time will be the State mining concern *Comibol*, which operates the mines from which the ores will in great part be taken.

Boost

The aim is that by August 1980 the plant should be ready to produce 21,000 tons of lead and 180 tons of silver a year. As a further boost to the economy of Potosi, the Government has decided to locate near the silver-lead smelter what will be the biggest of ENAF's ventures—which it may well attempt in conjunction with private capital—the building of a $225m. zinc smelter. The feasibility study has been entrusted to the West German Klöckner concern, which had a hand in the establishment of the first tin smelter in Vinto. The problem that still has to be sorted out before the zinc smelter plan can go ahead is what is to be done with the large quantities of sulphuric acid which will be produced as a by-product. In any case the zinc plant would not go into production before 1983.

The third component of a metallurgical complex in Potosi is expected to be a $28m antimony plant to produce 5,000 tons of metal by about the same date.

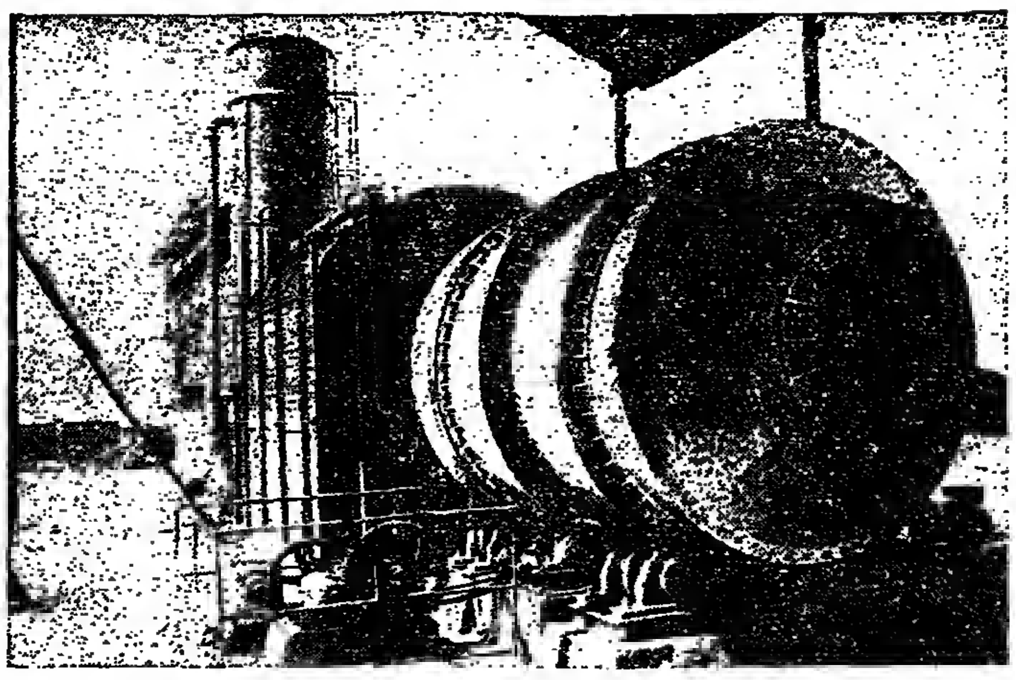
At a site somewhere in the Department of La Paz, ENAF expects to start its first experience in smelting copper. The Japanese Dowa concern is drawing up a feasibility study, and the aim is to be turning out an initial 10,000 tons of fine copper at the beginning of 1981, with the option of extending this to 20,000 tons a year after the first five years of operation.

ENAF's ambitious smelting plans are rivalled only by those of another State company SIDERSA, which was set up by the Banzer Government in 1973 to establish a steel industry in Bolivia, taking advantage of the almost limitless supplies of iron ore of good quality to be found in the far south-east of the country at Mutun on the upper reaches of the River Paraguay. SIDERSA's 38-year-old managing director, Colonel Carlos Morales, a chemical engineer, says that his target is to be able to produce 3m. tons of sponge iron and 300,000 tons of flat products a year by the end of the decade.

The problems in meeting this deadline are enormous, but the young colonel is an optimistic person. Though there is little doubt about the quality of the Mutun ore—it averages 64 per cent. iron content, according to SIDERSA—the total lack of infrastructure around Mutun is frightening for any entrepreneur. A feasibility study is now being completed by the U.S. consultants McKee, with help from among others the British firm Livesey and Henderson. It will determine whether natural gas or other fuels will be used and whether the steelworks will be put on the Mutun site or the ore brought out to a works sited somewhere else.

An important set of considerations for the success of Mutun will be the attitudes of buyers in the two principal export markets, Brazil and Argentina, since Bolivia in its present state of development is obviously unable to absorb the whole Mutun output. If Colonel Morales's estimates are right about a third of the production will be sold to the two countries. "Given the gigantic nature of Brazil's plans for steel production that country by itself should have no difficulty in absorbing all the sponge iron and products that we could offer them," he says.

H.O'S



A rotary kiln, used to treat low-grade tin ores, in Comibol's plant at Oruro.

Record tin prices

THE REMARKABLE turnround in the world tin market in 1976 from a situation of heavy surplus supplies and depressed prices to the present scarcity and its record prices has rescued the Bolivian tin industry from a parlous state. The world's second biggest producer of tin after Malaysia, Bolivia is particularly vulnerable to any setbacks in the world market since it is the highest cost producer and therefore at a considerable disadvantage vis-a-vis cheaper competitors in other producing countries when a surplus supply situation exists.

Extra pressure was put on the industry by the need for severe export cutbacks imposed by the International Tin Council as the only means of preventing the market price from falling below the International Tin Agreement "floor" price level despite support buying purchases of over 20,000 tonnes by the Tin Council's buffer stock. Reduced exports and stockpiling of surplus output inevitably put *further* pressure on production costs in addition to the general inflation in mining costs, aggravated by the rise in oil prices.

This depressed state must now seem like a bad dream to tin producers following the boom in demand for tin during the past 12 months that has cleaned out the holdings of the Tin Council's buffer stock completely, and apparently exhausted all the surplus supplies available elsewhere in the world, with the notable exception of the U.S. strategic stockpile. Prices too have rocketed in a spectacular manner to all-time peak levels—and not just in London, where they have been inflated by the fall in the value of sterling, but worldwide, so that even Bolivia is making handsome profits at this stage. But the memory of the depressed period lives on, especially in Bolivia.

At the moment the outlook seems set fair for tin producing countries generally, with consumption outstripping production to such an extent that it is estimated there was a 20,000-tonne shortfall last year, and there is no sign yet of any real let-up in demand. However, as Bolivia and other tin producers have learnt with some bitterness over the years, the situation can change rapidly—as indeed happened to the producers' advantage in 1976—and a further period of depressed demand could make a mockery of spending the large investment needed to get tin production rising again. Already there are moves in the U.S. to halt the tin price rise spiral by releasing further supplies from the huge strategic stockpile that still contains over 200,000 tonnes—the equivalent of roughly a year's world consumption or over five years' Bolivian production.

It is these fears about the longer term future that are behind Bolivia's unexpected refusal to ratify the International Tin Agreement. Despite continuing efforts to cut down production costs by improving the recovery from tin ores, Bolivian costs are estimated to be still above the "floor" price set by the International Tin Agreement, despite three increases during the past year or so. Obviously, with world market prices well above the Tin Agreement "ceiling," Bolivian tin producers are operating profitably, but it is claimed that without more security about the future, in case the market collapses back again, the Agreement provides little incentive for high-cost producing countries like Bolivia to increase output.

The entry into membership of the Tin Agreement of the U.S., which strenuously opposed a bid to lift the price ranges higher in December, has also increased the politicking in the Tin Council, with developing countries, in the form of the producers, lining up against the industrialised consumer nations in a manner closely allied to the debates at the UN Conference on Trade and Development meetings on the proposed integrated commodities programme, and multi-buffer stock.

Bolivia feels that the voting structure of the Tin Council, under the Fifth Agreement which came into effect provisionally on January 1, is unjust in that it gives the consumer countries with large voting shares—such as the U.S.—power to veto virtually any proposals it does not like. There is also considerable disappointment at the lukewarm reaction of consumers in contributing to the "voluntary" buffer stock equivalent to 20,000 tonnes of tin to match the compulsory stock of 20,000 tonnes contributed by the producing countries.

Although the Tin Agreement came into provisional effect for six months, it must be ratified by Bolivia by June 30 this year if it is to continue operating as a viable force. It is generally felt that since Bolivia is the producer most vulnerable to market setbacks, because of its high cost structure, it has most to lose in allowing the Agreement to collapse. One of the main purposes of the Agreement over the years has been to give some protection to producers, especially Bolivia, from the harsh impact of market forces and there will certainly be great pressure from other developing countries for Bolivia not to torpedo recklessly the only international commodity pact that has been able to operate effectively for over 20 years.

But Bolivia is taking a hard line, bolstered by the current scarcity of tin supplies, and poor production prospects worldwide, as well as its own lesser dependence on tin exports now that other metals and minerals, notably oil, are adding to the wealth of the country to a much larger extent.

At the same time Bolivia is well advanced in plans to reduce its dependence on exports of tin-ore concentrates for smelting in other countries, notably Capper Pass in Britain. It was recently confirmed that ambitious plans are going ahead for domestic smelting of all its tin-ore concentrates by 1979. The Vinto smelter on the Altiplano has already been expanded from an annual capacity of 7,500 tonnes to 11,000, and is going to be increased in two further stages to 16,000 and then 20,000 tonnes.

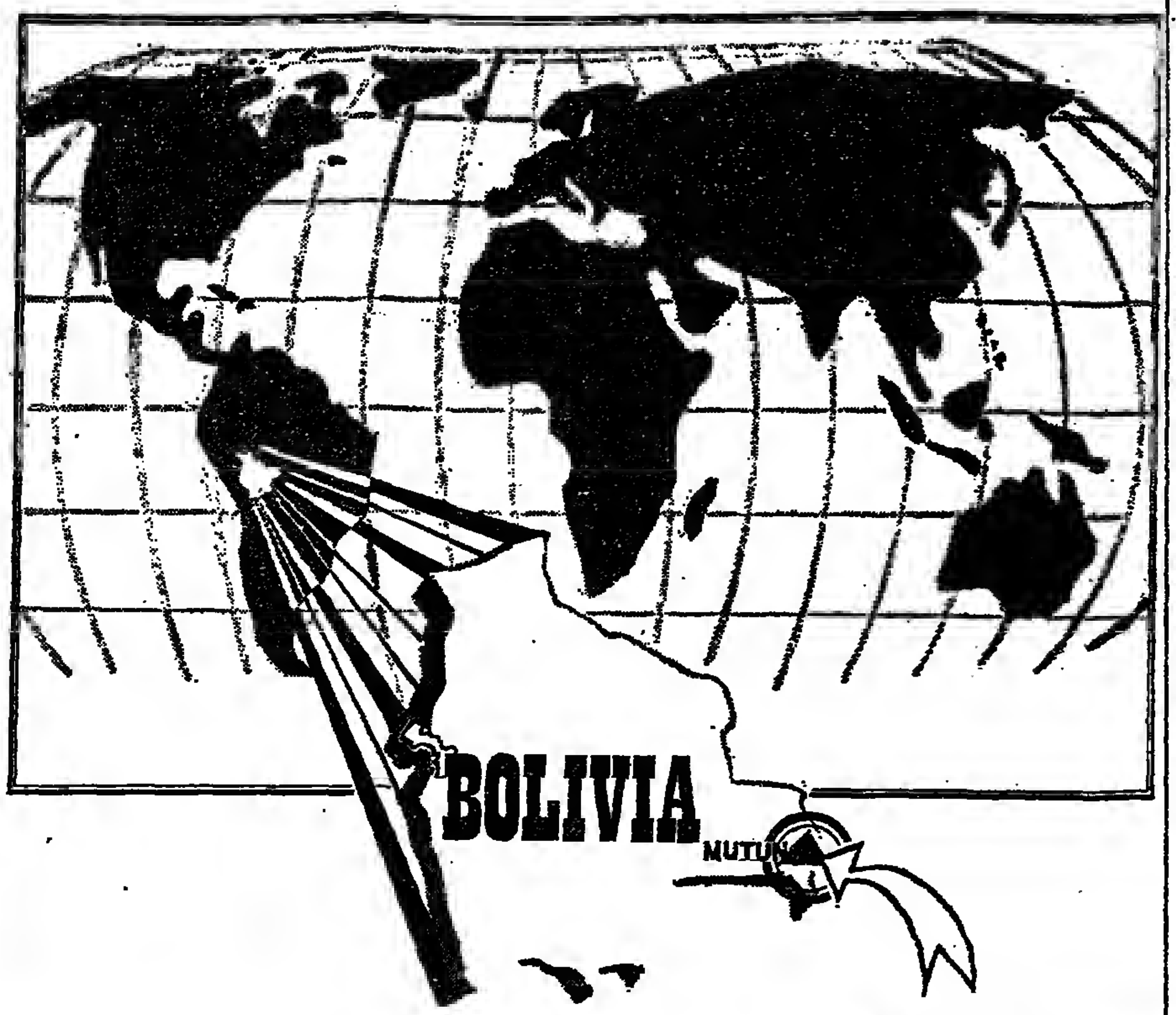
Planned

In addition a new plant to smelt 10,000 tonnes of low grade ore produced by the State-owned mining company, Comibol, is to be built at Potosi. So far the Vinto smelter has come on stream as planned and worked efficiently. Naturally Bolivia hopes that producing more and more of its own refined tin will add to the wealth and employment opportunities in the country.

Meanwhile the search for new tin deposits continues in the general survey of the country's mineral resources. Investment from other countries is being actively encouraged by the Bolivian Government, which has already attracted the interest of West Germany and the Soviet Union in expanding its refined tin output. At the moment prospects for the tin industry look extremely bright with the other main producing countries facing considerable problems in raising their output to meet the growth in demand.

But little account has been taken so far of the impact of substitution if tin prices rise too high, and if the Tin Agreement were to collapse under political pressure Bolivia would be very exposed to the inevitable setbacks in the world market.

J.E.



Bolivia's developing railway system is of growing importance to rural communities.

Bolivia's peculiar topography, combined with relative economic austerity, has long been a barrier to an efficient domestic transport system. Now the authorities hope that by developing transportation they will also bring about an economic improvement.

Transport grows

NO OTHER COUNTRY in the world presents the variety of transport problems that Bolivia must attempt to solve. Landlocked on one side by the peaks of the Western Cordillera, its terrain slopes down through isolated semi-tropical valleys to rough savannah and finally to dense equatorial forests. Add to this Bolivia's greatest dilemma—that its agricultural wealth lies under-exploited in its valleys, while 72 per cent. of the population live on the Altiplano—and transport is of obvious and crucial importance.

Ever since the Spanish began to mine silver at Potosi, Bolivia's commercial development has depended upon its ability to overcome the topography. The Spaniards used llama trains, until the coming of the railways connected the mines with the Pacific ports and Argentina in the closing decades of the past century. Steamers were carried in pieces up to the Peruvian port of Puno and reassembled to form the first fleet of five across Lake Titicaca to the Bolivian town of Guaqui. The line from La Paz to Arica was built by the Chileans as a reimbursement for the ports Chile had taken from the Bolivians, and formed the country's only outlet to the sea.

But the Ministry of Transport spokesman points out: "Bolivia's development has always been hampered by two aspects of our transport problems. Our trade was regulated by other countries. The increasing cost of cargo put us at a market disadvantage, as well as raising the cost of living inside the country."

Bumpy

The poor quality of roads in Bolivia has been almost axiomatic in this century. Built with little technical knowledge, hastily repaired but never studied in the long term, there were less than 600 miles of asphalted or gravel-surfaced roads out of a national total of only 2,500 miles in 1968. The accepted way of delivering beef from the great meat-producing regions of Beni in the North-East is by plane, as it virtually always has been. With the oldest airline in the entire continent, Bolivia leapt almost directly from llama train and ox-cart to air freight, and used the national Lloyd Aéreo Boliviano to cover the lack of roads and the decay of the nine railway lines.

"But we've learnt from history," said the Sub-Secretary of Transport, Sr. Mario Antezana. "Now our main objective is efficient, rapid and economical transport in order to integrate the potentially rich rural areas. It is the biggest Government priority and so far $500m. of the budget has been set aside for it." The political stability Bolivians are currently enjoying will give them a chance to break into the developing lands of the Oriente — the highly-productive flat land which makes up nearly three-quarters of the country—with improved and new roads. These will be funded by internally, local investments, and some assistance from U.S. aid.

The Five Year Plan includes a very ambitious highway scheme for rural areas that lack communications, and in particular for the jungle province of Beni. Although its capital, Trinidad, is theoretically linked with La Paz by a hair-raising 600-km. road from the Western peaks down through the jungle, farmers are still using expensive freight planes. This year the Ministry has already tendered for the costs of asphalting and bridging the water-courses along the route, with money from the Inter-American Development Bank. They have received $50m. for completing the first stage. A provincial network inside Beni is also going ahead in stages, according to local investment and potential.

The Government has inserted into its policies a corrective network that it calls a "minimum plan," meaning the least it intends to have accomplished by the end of 1980. A new La Paz-Desakuadero road from the capital to the Peruvian border on the shores of Lake Titicaca is in the final design stage. Engineering studies are finalised in a La Paz-Tambo Quemado road to the borders of Chile, and the Ministry are looking for ways to finance it. They are negotiating the asphalting of a road from Tarija with the Argentinians, to connect with their Route 50, and another road linking Santa Cruz with Yacuiba to the Argentinian Route 34 is being studied. On the same road they plan an offshoot from Boyuibe via Fortin Villazon on the Paraguayan border, to run into the Trans-Chaco Highway. They have finished engineering studies on a route into Brazil from Santa Cruz and Corumbá and are waiting for the funds.

For the almost roadless north, they have a scheme for running a highway from La Paz to Puerto Heath and on to Cohija in Pando, the north-west of the country. An extension of the La Paz-Beni road to Riberalta and Guayaramerin to meet the Brazilian border town of Guajará Mirim is underway: but progress is in stages because of the enormous amount of territory it has to cover.

The Ministry of Transport is also trying to consolidate the country's transport backbone, the trunk road that links La Paz - Oruro - Cochabamba - Santa Cruz. The La Paz to Oruro section and the Cochabamba to Santa Cruz section have been finished for several years; the Oruro-Cochabamba axis is an immediate task. Beyond Oruro, they have managed some 220 km. of a link to Potosi and Tarija in the south. As well as these main roads, supplementary connections to bring in new areas are planned, as well as an access network for farmers to these secondary roads in agricultural areas.

In effect, by putting the lion's share of the national budget into road construction and other transport, this Government will be the first—if it completes all its schemes—to tackle the problem from a long-term viewpoint. But it has a long way to go. The Bolivian stretch of the Pan-American highway is still by far the worst; entering the country at Desaguadero in Peru, its quality declines to that of a dust road between Potosi and Tarija, before entering Argentina. The Ministry have studied the *Carretera Panamericana* and will be asphalting the worst section soon. Perhaps their most important new road will be the *Carretero Interoceánico*, designed to link the port of Arica on the Pacific with Brazilian ports like Santos, via Tambo Quemada, Cochabamba, Santa Cruz and Corumbá.

Difficulties

Meanwhile, you have only to take one of the country buses from La Paz to realise how exhaustive a task the Ministry of Transport have given themselves. Heavy flooding often makes the roads impassable; it is not unknown to find passengers getting out to look at the result of a nasty accident on a hairpin bend. Bolivians travel by train if they can afford it; *many cannot.*

The *Obras Sociales de Caminos de Acceso Rurales* (OSCAR) is a completely voluntary road-building scheme. Beside the San Francisco church in La Paz, its ebullient founder—Fr. Michael Dooling, a naturalised American—attracts students from La Paz University to his office and sends them off with picks and shovels to help rural communities build their own access roads. Each village helps with the hard work of providing a road halfway to their community and halfway beyond. The students work in two shifts, studying six hours and then roadbuilding for another six.

Seven years of very hard work have brought in a fleet of tractors, all the fuel they need and paid professional experts by way of help from the Ministry. So far OSCAR has covered 160 km. in the north of La Paz province and is on its way to far-flung Pando. Fr. Dooling sees the scheme as giving students "an area of constructive involvement with their country's own problems." But with 130 boys starting on a fresh year's building next month, he still doesn't know where to get the funds for their keep and equipment.

The rehabilitation of the National Railway Company, the ENF, has been one of the Ministry of Transport's success stories. For the past two years it has made a profit and needs no more subsidising. Using $8m. from the Inter-American Development Bank, it bought new goods wagons, improved maintenance yards and began the change from steam to diesel—much cheaper and more logical for oil-producing Bolivia. In 1975 the ENF borrowed a further $28½m. in order to complete its new rolling stock and also restructure its personnel and administrative training schemes. From General Electric of Brazil and the U.S. it bought two groups of locomotives for the Oriente, the flat eastern part. Japan and Germany supplied t IT specialist diesels designed withstand the mountains of th Altiplano and their hairp bends. The General Electr engines have just begun operate in Santa Cruz.

Travelling by train used to b risky for travellers as far a dates were concerned. Now th excellent and cheap "ferrobus service to Cochabamba has to b booked a week ahead. But th average speed is still arou 30-40 km. an hour, and the ne aim of the ENF is to renew rail tracks, welding and sleepe This would increase maxim speed to 100 km. per hour a give a new image to the ent system. They are awaiting answer from the World Bank their application for a loan present.

The ENF is now an indep dent and self-supporting bo In similar fashion, the 52-ye old national airline, Lloyd Aé Boliviano, has renewed its and grown in ambition o the past three years. It n flies to Miami as well as Buenos Aires, Santiago, S Paulo, Montevideo, Lima a Panama, and over the domest routes. In 1973 their Preside Sr. Mario Patiño, launched programme of new polic First of these was to disca the old DC3 planes and buy fo Boeing 727-200 aircraft at $12 apiece with a loan from First National City Bank. It awaiting the production of 727-300 model before buy more. In 1974-75 it built n runways for Trinidad in the north and Sucre in the sou and acquired two 727 jets a cost of $60m. Computeris LAB accounts, modern train equipment and new person schemes will complete the provements.

Airports

A new airport and runway the oil and agriculture cen Tarija, will cost $4m. Riberal in the extreme north is a being considered for politi reasons. Flying a plane, Patiñox, pointed out, is a thing but easy in Bolivia; so of the old cargo planes can rise above 12,000 feet, wh means dodging between peaks of the Cordillera a using a compass and stopwa to clear them on bad days. transport, whether by LAB by the Bolivian air-force, accounted for 25 per cent. total cargo shipped in 19 compared to the railways' per cent. and a mere 0.4 cent. from river transport.

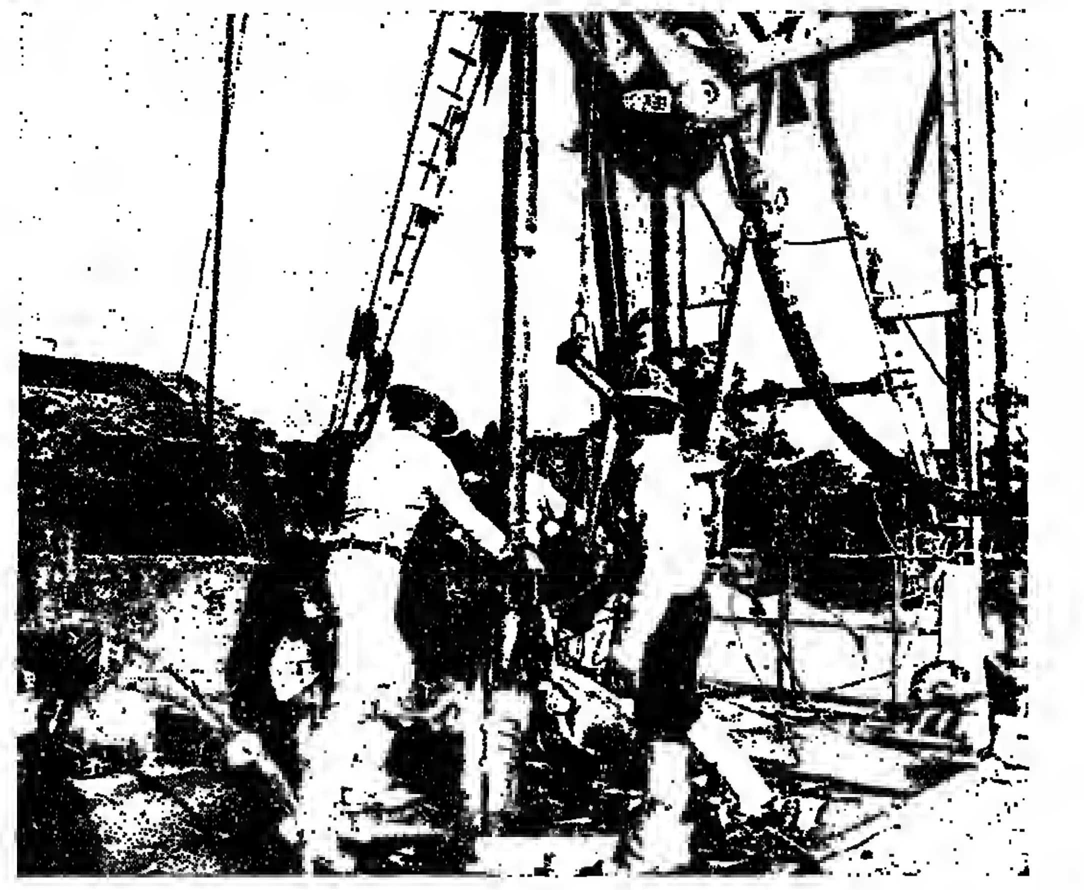
LAB is already taking ca from Montevideo to Miami. also takes cargo one-way fr Miami to Santa Cruz; trying make the traffic two-way is current objective. It is work on the question with the Cha her of Commerce in La Paz, a also on the possibilities of ca routes to Germany and the U For these routes, the new je became essential.

Meanwhile, while it made profit of $1½m. on internation flights in 1975, it lost a to $4m. on the domestic flights Trinidad, Santa Cruz, Coch

CONTINUED ON NEXT PAGE

Although not a big producer, Bolivia pins a great deal of its hopes and plans for the future on its oil. But the current expansion of the exploration programme will need to bear substantial fruit if production targets are to be achieved.

Search for more oil



Drilling operations in the Montecristo field in Santa Cruz department, a new oil source discovered last year.

NE BIT of pie in the sky that olivia reserve for itself is oil. he Government has pinned a t of its hopes about how the ountry will be faring at the nd of the decade on the rather ncertain prospect of quadupling oil production. Oil uphoria has in fact been on the ecline since 1974, the year hen the rise in world prices ave a sudden importance to olivia's exportable oil surplus od transformed the country's alance of trade. But now, with e first results emerging from e latest spurt in exploration, ere are signs that the oil tuation may be coming good gain.

The boom year of 1974 tended make people forget that olivia is not a big producer of il. Moreover, daily output from the State-owned wells of Yacimientos Petroliferos Fiscales Bolivianos (YPFB), affected by various technical problems, has been dropping from year to year. Four years ago it touched a peak of 50,000 barrels a day, and is now not much more than 40,000 barrels, less, for instance, than Peru's 75,000 barrels and slightly less than Venezuela produces every 40 minutes.

The Government still holds on to predictions that production will reach 180,000 or 200,000 barrels a day in 1980 and that the country's proven reserves will be three times what they are now — 140m. barrels. In 1975 the U.S. Embassy in *La Paz* punctured that balloon, and got itself into a minor row at the same time, by declaring that Bolivia's oil reserves would only last for another five years.

After two and a half years of intensified exploration effort by YPFB and foreign contractors, the Government's predictions still appear to be a long shot. But the picture has changed considerably since YPFB has been able to double its reserve estimate at its big Montecristo field north-east of Santa Cruz. Some estimates reckon that this and other new discoveries will add another 20,000 to 30,000 barrels of daily output. YPFB officials restrict their comments *to saying that* the old reserve figure will soon be upgraded "by a large percentage."

Bolivia's oil revenues are also due to increase since the Government followed the middle line of OPEC's new price levels and raised its tag by 7 per cent., backdated to January 1. Bolivia's sulphur-free, *premium-price oil earned* about $114m. last year, which because of a drop in sales volume was $1m. less than in 1975. Overall domestic and foreign sales brought the central Government $39m. in tax revenue.

Bolivia exports about 22,000 barrels a day, nearly all to its Latin American neighbours, but the amount may well be lower this year. Bolivians' petrol consumption rose after 1974, and the Government's policy has *been to keep the domestic price* down — to the extent that it threatens the financial strength of YPFB. Motorists can fill a seven-gallon tank with low-grade petrol and get change for £2. (In Rio de Janeiro the same operation costs about £11.)

YPFB has around 200 wells in operation in different parts of the country. Last year it spent $30m. on seismic work and drilling and will spend another $30m. to $40m. this year, a sharp jump from the exploration budget of $5m. or *$6m. a few years ago.*

It would be hard to disguise the fact that YPFB has been more successful than the foreign companies brought in by the present Government. Out of 16 companies which signed contracts with Bolivia, only one, Occidental Petroleum, has so far found oil and is planning to go into production, although there are hopes that Tesoro will be able to follow suit.

Companies

The international oil companies have had a bumpy ride *in Bolivia in the last 50 years:* or perhaps it is Bolivia that has had a bumpy ride from the oil companies. The first law declaring any oil found in the country to be the property of the State was introduced in 1872, but by the time the first indications of oil were found in 1905 it had obviously been forgotten. Standard Oil was the first company to establish itself, and kept a virtual monopoly in the 1920s and 1930s alongside the State, with which it operated partly in a joint venture.

In 1937, after Bolivia had lost the Chaco War, fought over an area believed at the time to be oil-rich, Standard Oil was accused of conniving with Paraguay and its 31 wells and two small refineries were nationalised. It was not until after the World War II, and *under pressure from the U.S.* Government, that compensation was paid.

In the 1950s a much criticised Petroleum Code was drawn up, once more allowing foreign companies in on 55-year concessions, from which the State had rights to minimum royalties of 30 per cent. Two-thirds of the areas awarded had been given back by 1962. Gulf Oil, since accused of giving bribes to the Government, stayed on, but in 1969, following the death of President Barrientos (in a helicopter, but not the helicopter Gulf is supposed to have given him), it became the object of Bolivia's second oil nationalisation. It had drilled 231 wells, of which 152 were productive, and claimed to have invested well over $100m.

Between the time the army took over Gulf's installations and the time that compensation (of $101m. minus 22 per cent. tax) was paid, Bolivia had trouble not only with foreign creditors, but also with its oil. In 1968 output was 2.4m. tonnes, with exports of $28.4m. In 1970, output dropped to 1.9m. tonnes.

The latest about-turn in oil policy came with a Hydrocarbons Law in 1972, allowing foreign companies to explore on the Government's behalf for between three and seven years, with exploitation up to 30 years, bearing all risks. The general formula had already been successfully tried by Indonesia and Peru, and has since been remodelled by Brazil. The Government set its demands low, however — minimum investment was set at $4m.

Several of the foreign com*panies have clearly spent more* than this, and unofficial estimates give total foreign investment at $75m. Union Oil is understood to have put in $8m., and Sun Oil, the *first to* drill a well, 13,000 feet up on the Altiplano near Oruro, to have spent $12m. on another venture in the northern jungles.

YPFB's Planning Director, Sr. Lucho Salinas, describes the *results of the venture so far as* "exactly what we were expecting." They could certainly not be described as sensational. Occidental has found oil in *Santa Cruz, six others* have got as far as drilling, and Tesoro is expected to come up shortly with its results. Phillips Petroleum is believed to be planning two wells this year, and Texaco is expected to begin drilling this year or next.

Four companies, including the Compagnie *Française* des Pétroles (Total) group and Superior Oil of Canada, have already given back their areas. Some others are still active. *Union Oil is contemplating its* next move, and Sun Oil, which has now drilled in three different areas, is likewise involved in head-scratching.

Reasons

The State company gives two reasons why the foreign prospectors' efforts have been less successful than its own. The first is that it farmed out "wildcat" areas to overseas companies, keeping for itself the areas considered to have a high likelihood of oil, and the other that changes in U.S. tax laws have dampened the amount of foreign investment *coming* in.

The contract model, considered far more advantageous to the country than previous agreements with oil companies, was attractive enough at the time it was brought out to secure 16 contracts, but Bolivia is thought unlikely to have the same response again without greater concessions, particularly after companies' disappointments in Peru. In February last year, YPFB tried to auction off three areas for prospection and met with complete failure.

The irony of that event was that YPFB decided to go ahead and *drill* one of the areas itself, and found the Espejos field, *now believed* to be one of a string of oil deposits. Along with this it has its further discoveries at Monte Cristo and one other less significant find to its credit.

Like the State mining corporation Comibol, YPFB, which was set up 41 years ago, has come under increasing fire for its *modus operandi* as a company. Up to now enjoying virtual autonomy, and able to secure foreign credits without reference to other government agencies, its financial operations may well be brought under closer *supervision.* Some people close to the Government also believe that its hold on the oil industry should also be relaxed, although control should remain in state hands. This *would* involve a second stage in the oil policy which brought in foreign companies' capital and expertise, allocating a role to *local private industry.*

One of the advantages cited in this argument is that it would stem the leakage of qualified personnel from the Bolivian oil industry. As a State sector company, YPFB is subject to a pay freeze. Technical staff who leave to get better salaries can only go to foreign companies or to enterprises outside the oil industry.

Everyone is still banking on the discovery of further oil deposits. Refining is being expanded to cope with 45,000 barrels a day, more than Bolivia's total current production, with new facilities at Santa Cruz, and the pipeline from there to Arica—the export route for crude—is to double in capacity from 25,000 barrels to 50,000 barrels a day.

But even if forecasts are fulfilled in 1980, Bolivia will still be a minor oil exporter, as Sr. Salinas points out. It will still *not* qualify for OPEC. The sad thing about recent oil history for Bolivia is that the price increases since 1973, and their repercussions on the prices of the mining and other machinery that Bolivia has to import, have cost the country more than it has gained selling its oil.

D.W.

Transport

CONTINUED FROM PREVIOUS PAGE

amba, Sucre, La Paz and other inor flights. Internal tickets re extremely cheap: the 20-inutes flight to La Paz costs nder £12. *This, says* Sr. atiño, is a question of government policy. The deficiencies of ll other kinds of transport rces it to accept a loss which e Government carries for ocial reasons.

With 5,580 miles of navigable vers, Bolivia began to look at e possibilities of water transort some time ago. Most of e northern rivers — the amoré and the Beni are the vo rivers already navigated—npty into the Rio Madeira and en into the Amazon. In the treme south-east the disovery of iron ore at Mutún has cited interest in the possible ute of the Paraguay River hich flows into the Plata River Argentina. Transport from is corner of the country by any other route would be too difficult and expensive. A team of British economists, engineers and marketing experts are surveying the river and trying to solve the problems of fluctuating water levels at the moment.

Bolivians are only too aware of how their progress has been hamstrung by their peculiar and seemingly insuperable difficulties in carrying products to market. Yet not a month seems to pass here but the Minister for Transport, Senor Antonio *Trigo,* is opening some new airport runway or launching new vehicles. If Bolivian transport were to change beyond all recognition into the harmonious and integrated system Senor Trigo and his secretaries talk of, so would the national economy, they feel.

Elgy Gillespie

Juan Lechin Suarez

José Romero Losa

Myrna Pardo-Valle

Roberto Vera

Juan Lechin Suarez

IF GENERAL Hugo Banzer has anyone who acts as his Prime Minister it is his brother officer General Juan Lechin Suárez. (It is always wise to refer to the general by both his surnames. He has a half-brother also called Juan who is the leader of the banned miners' union and a fierce critic of the regime. Some people in Bolivia refer to one as "Lechin el Bueno" and the other as "Lechin el Malo." It is a rough guide to people's political persuasions whether they refer to General Lechin as "el Bueno" or "el Malo.")

As Minister of Planning and Co-ordination he has a far reaching brief to orchestrate the efforts of the Cabinet. His career illustrates the sort of experience that senior officers in government positions have had. Born in Cochobamba in 1921, he went to the Military College qualifying as an artillery officer in 1944 and passing out second in his class of 44.

Like many of the more prominent medium rank officers in Latin American armies he was talent-spotted by the U.S. armed forces who keep a close watch on the progress of their confrères to the South. In 1947-43 and again in 1958-59 he went for periods of training in the U.S., the first time to learn about artillery and guided weapons, the second time for staff training. The armed forces were the object of much controversy during the time of the social revolution of 1952 but Lechin stuck that out. In the early 1960s he spent a time as military and air attache at the Bolivian embassy in Bonn before returning to Bolivia as commander of the Fifth Division of the army.

His first major administrative post came in 1965 when he was appointed chairman of the state mining corporation Comibol. During that time he often took a hard line towards the miners in Bolivia's largest single enterprise.

He returned to active duty as commander of the Third army division in 1969. The early 1970s until 1974 he spent in Eaton Square, London, as Bolivia's ambassador to Britain and the Netherlands.

With his experience in the tin mining industry and in diplomacy and conservative personal views which are close to those of General Banzer he was a predictable choice to occupy one of the key position in the present Government.

One of his main concerns at the moment is to help the process of developing the neglected eastern part of the country and working on the establishment of communications which would assist Bolivia to make better use of its connections to the Atlantic through Rio de Janeiro and Buenos Aires. He feels, for instance, that it will not be long before river connections between Bolivia and Brazil will be eased when the rapids which now impede navigation on the River Mamoré are blown up.

During the recent meeting between the Bolivian Government and a delegation from the Andean Pact administration it was he would led the Bolivian drive for more concessions. His portfolio is, with that of finance, the most important in the Cabinet.

H.O'S

Carlos Calvo Galindo

CARLOS CALVO GALINDO at 36 must be the world's youngest finance minister. A member of one of La Paz's most prominent families and connected with many more, Sr. Calvo received most of his education in Britain, ending up with a BSc. (Econ.) at London University. In his early 30's, after a successful start in banking, he found himself the manager of the La Paz branch of the First National City Bank.

His family meanwhile moved to take a controlling interest—now disposed of—in the Banco Mercantil in La Paz and to acquire shares in the successful Holiday Inn operation in Santa Cruz. A brother runs an industrial and farming holding company which among other things produces one of Bolivia's better wines, San Pedro, from vineyards in the southern department of Tarija.

As the only civilian in the cabinet he finds himself surrounded by military men. Supporters of the private sector see in him a person who can represent their views against those who feel that the only way for Bolivia to develop is for it to found big new State enterprises and strengthen still further the already large State sector of the economy.

He is now married to Maria Elena Kirigin, who though only in her early 20s has become one of Bolivia's best known journalists, having done a spell as the La Paz correspondent for Agence France-Presse, and who now runs her own TV show and writes on women's topics for the La Paz newspapers.

Sr. Calvo is a recognisable confrere of many of the administrators who have charge of the Brazilian economy at the moment—though it must be added that he has proved himself more successful in his economic management than they have.

He is enthusiastic at the opportunities there are for development in Bolivia, and the expatriate Bolivian who returns to visit him is likely to be pressed to stay—and at times even offered a job.

H.O'S

Jose Romero Losa

JOSÉ ROMERO LOSA is known in eastern Bolivia as one of the founders of the cotton and textile business. A sprightly 67, he is still active, working in a wide-flung farming operation with his American son-in-law, Randy Brooks, and a permanent resident of Santa Cruz de la Sierra—a place and an existence which must seem light years away from his patrician origins in Sucre.

Sr. Romero gained prominence as a young man in private business in La Paz, and in politics from 1939, when he was elected national convention deputy for Sucre on the centrist slate of the Republican Socialist Union Party, "which, of course, no longer exists."

Appointed Treasury Minister in 1948, he was moved to the Economics Ministry the following year and back to the Treasury in 1951. What sent him off east was the 1952 revolution which brought Bolivia's land reform, a measure with which he sympathises in principle but not in its execution. The only land that was not affected, because there was nobody there, was out beyond Santa Cruz, and José Romero sought out the first 120 acres on which to grow cotton, which has since become one of the region's main activities.

President Barrientos called him back to the Treasury in 1966. In 1970, after two years there and two years as ambassador to the Vatican, he finally decided to wash his hands of the political scene. He has not, however, washed off his reputation for political astuteness.

One development that has a big impact on the Santa Cruz region, the settling of Mennonite colonists first from Paraguay and later from Mexico, was largely his doing. The highly productive Mennonite farmers now number between 8,000 and 9,000.

Sr. Romero has published several books on the ins and outs of contemporary Bolivian history. His experience in Santa Cruz gives him a basically positive view, and he does not see a separatism between Bolivia's lowlands and highlands. "The inhabitant of Santa Cruz nowadays feels more part of Bolivia than he did before." With various other Romeros working around him, he is "an optimist about the future of this country. But I don't think," he added, "that it should be a very rich country . . . just enough for people to be all right."

D.W.

Myrna Pardo-Valle

IN A COUNTRY where women are seen rather than heard—unless, that is, they are stallholders in one of the markets—Myrna Pardo-Valle is very much the exception.

The daughter of a family which has provided many distinguished figures for Bolivian public life she broke with tradition by working her way through college in California. Working as a waitress in a cafe in Palo Alto is not the sort of thing that Bolivians expect of daughters of eminent families. This she did, despite the fact that her initial lack of English meant that she got the customers' orders wrong with a panache worthy of the best of the Marx Brothers.

Back in La Paz with a U.S. college degree to her name she set about organising a clothes boutique called Boom which rapidly became a social centre for the fashionable of the city. But having conformed for a few year to the image of a wealthy Bolivian with a taste for the luxuries of social life she surpised her friends by decamping to the far south-eastern province of Santa Cruz, there to manage a large ranch in the rough and tumble of Bolivia's new frontier region. The British parallel would be Mary Quant, for instance, going to Aberdeen to manage a group of oil rigs. Despite the extreme clannishness of the inhabitants of the city, who regard most intruders from La Paz with ill-disguised antipathy, Srta. Pardo-Valle found herself eventually one of the spokesmen for them in their long-drawn-out struggle for better treatment from the central Government.

"At one point," she recalls, "I had to deliver an impassioned speech in favour of Santa Cruz to a delegation from La Paz led by one of the Ministers. After dinner in the evening I danced with the Minister who happened to be an old friend from La Paz. In the highly charged political atmosphere no one could then decide whether it was I who had the diplomatic advantage over the Minister or he over me."

After several years of successful farming in Santa Cruz Myrna Pardo-Valle has returned to La Paz where she is a partner in Giorggissimo, a highly successful restaurant and social venue greatly frequented by the high society of the city. She is not typical of Bolivian women.

H.O'S

Roberto Vera

THE LAST PLACE you would expect to find a Holiday Inn would be Santa Cruz, 300 miles into a touristic wilderness, but there is one, and the man who runs it, Roberto Vera, must count as Bolivia's most successful innkeeper. Up to two years ago the town boasted three hotels and a string of smaller establishments. "It was a town," says Sr. Vera, then manager of one of La Paz's main hotels, "where there were so many foreigners coming in for the oil business that some didn't have anywhere to stay."

The Los Tajibos hotel, part of a private town planning project dreamed up by an oil engineer, Sr. Alberto Vásquez, somehow managed to secure $400,000 worth of an Inter-American Development Bank loan destined to stimulate tourism. Not that Santa Cruz has ever had many tourists—last year the Holiday Inn received the grand total of two tour groups.

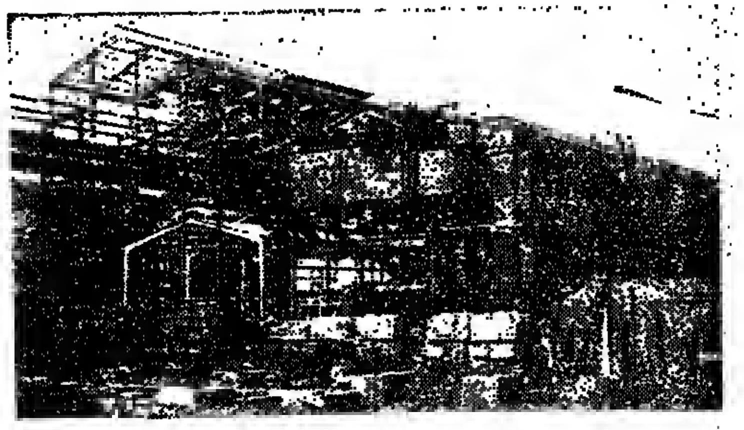
But on the strength of its business clients, the hotel now has the almost unheard-of room occupation rate of 87 per cent. Operated under franchise from the U.S. chain, its success is such that it has lured the family business group of Sr. Carlos Calvo, the Finance Minister, into buying it, for a sum which Sr. Vera puts at between $3m. an $4m.

Roberto Vera, who describ his trade with all the gleef gestures of an Italian co presenting his favourite dish, 41, with 20 years in the hot business. He ran La Paz's tra tional Hotel Crillón, befo founding the capital's mo expensive resting-place, t Hotel Libertador.

After two years, Sr. Vera in three minds what to do ne A group of prominent busine figures are building a ho under the same franchise in Paz and wants him to run it. the other hand, he has had offer from Argentina that ma his eyes sparkle. But his pl for Santa Cruz are not finished.

A tower block and a con ence centre are in the plann stage, and Sr. Vera has sea a package flight deal with LAB national airline taking people from La U.S. travel agents will be c ing out in batches from Ma to test a three-day "Disc Bolivia" tour, with two ni amid the jungle noises and land heat of Santa Cruz. Vera, pointing eagerly at hotel's latest arrivals, a b of fashion models from Bu Aires, "the most famous in Argentina," says he is help to put the region on the m "You can't just sit around wait for people to come," says.

E.



Given the right circumstances, natural gas would soon overtake oil as an earner of foreign exchange for Bolivia. The fact that it has not yet done so is one of the economic frustrations that the country is having to face.

Natural gas

SINCE THE early 1960s the importance of Bolivia's gas fields has steadily grown, although quite recently it was a matter of guesswork how much gas the country actually had. Now the Government has a figure of 45,000bn. cubic feet of proven reserves, and gas is already earning 10 per cent. of the country's export revenue from one solitary customer—Argentina.

The prospect of a larger supply contract being concluded with Brazil brings hopes not only of a boost to Bolivia's trade position, but also of a bonanza in the empty eastern region where the gas will pass through.

Bolivia's problem is not that it cannot fulfil these contracts. Even when the Brazilian deal, for 240m. cu. ft. a day, goes through, and if Argentina's off-take of 150m. cu. ft. a day doubles as is planned after 1979, Bolivia can look forward to coping with both well into the 21st century. Unlike oil, there is no immediate challenge from domestic demand, which at the present rate of up to 10m. cu. ft. a day can be serviced till Kingdom come. The problem is selling the gas on anything but the customer's terms.

Below

Every six months, Yacimientos Petroliferos Fiscales Bolivianos (YPFB), the State hydrocarbon corporation, and the Argentine Government sit down to renegotiate the gas price. Now at $0.85 per 1,000 cu. ft., the price is well below what the Bolivians see as a realistic level, particularly when compared to the equivalent cost in oil. They are currently asking for an undisclosed but "important" increase from the Argentinians.

Argentina has in the past been sympathetic enough to Bolivia's requests, but it knows that it has in Bolivia a captive source. As of now, and ever since a $56m. gas pipeline between the two countries was opened in 1972, the Bolivians cannot sell their gas to anybody else.

Price increases agreed so far have lifted Bolivia's gas income from $29m. in 1974 to $42.5m. in 1975 and $55m. last year. In order to establish its system of six-monthly revisions, YPFB had to undo its original and now seemingly ludicrous pact. In 1969 it agreed to sell Argentina gas for 20 years, with delivery starting in 1972, at a fixed price of 22.5 U.S. cents per 1,000 cu. ft.

Bolivia is producing gas at a rate well under its capacity. Under the national five-year plan, YPFB's target is set, on a "medium" estimate, at 125bn. *cu. ft. in 1980*, and a "high" estimate at 182bn. cu. ft., compared with the 55.5bn. produced in 1975. The prospects of reaching the higher target depend on overcoming the stalemate that has arisen in Boliva's negotiations with the Brazilians.

The Brazil gas deal has changed shape a good deal since a 1973 agreement between Gen. Hugo Banzer and the then Brazilian President Gen. Emilio Garrastazú Médici. At that time the idea was for the Brazilians to build a pipeline to take the gas 1,000 miles to the industrial region of São Paulo, where it would be used in homes and factories. The Brazilians would also help with the Bolivian end of the pipeline, from Santa Cruz to Corumbá, a booming border town on the Paraguay River, in the west of Brazil's Mato Grosso State.

A basic condition was that the Bolivians could prove adequate reserves to supply Brazil with 240m. cu. ft. a day for 20 years. Bolivia threw extra resources into exploration in the Santa Cruz region and came up with five new producing areas.

But in the process of various meetings between the two sides in Brazil, it emerged that Brazil had changed its mind about what to do with the gas, which had somewhat changed its status as a commodity in the aftermath of the oil crisis. Like a lizard losing its tail, the pipeline plan was first reduced and then cut right back to Corumbá, where the Brazilians came up with plans for a gas-fired iron and steel industry.

The proposed use of Bolivia's gas to fuel a new industrial development in western Brazil presented a major drawback to the Bolivians. They themselves wished it to be understood that the gas deal would only go ahead when industrialisation in their own south-western region became feasible.

In both cases industrial planning is focussed on an iron ore reserve, where deposits are estimated on the Bolivian side at a minimum 100m. tonnes and may be on a larger scale altogether. The deposits are on two hill flanks, one of which drops down into Bolivia and the other into Brazil. In Bolivia it is known as El Mutún, in Brazil as Urucúm, but there is no difference between one side and the other.

Problem

Both sides are now convinced that there is room for a large iron-based industrial development in the region. The problem is that there is not necessarily room for two large iron-based industrial developments, and if the Brazilians build up Corumbá into a major producing centre then Bolivia's ambitions to do the same on the other side of the frontier risk becoming redundant.

The main condition which has now been presented to the Brazilians is that in exchange for buying the gas they undertake to import for their own market half-processed sponge-iron from a plant to be built near El Mutún on the Bolivian side. The Brazilians have accepted in principle to import a small part of Bolivia's sponge-iron, but not all and not for the 10 years' period anticipated. They are at the same time *believed to* have *agreed on* the purchase of ammonia and urea which Bolivia is to produce in another venture linked to the gas fields.

"Brazil is going to need to import the iron," a senior YPFB official said confidently, but it would appear wishfully. The present state of negotiations is that the last round, expected at the end of last year in Rio de Janeiro, never took place, and the Bolivians are awaiting an invitation to sit down to discussions again.

The Bolivians can probably do without Brazil's help in building the Santa Cruz-to-Corumbá gas duct, the cost of which was originally set at $200m. but is now thought to be closer to $400m. Brazil has pledged some finance but has said it cannot increase it. However, Bolivia has relatively easy access to foreign loans and could in theory channel some of the oil revenues that already accrue to the Department of Santa Cruz into the project. But it is unlikely to go ahead with it while it risks putting its main non-energy resources in the area, and possibly one of its biggest long-term assets, into the shadows.

Besides raking in extra foreign exchange, Bolivia wants to make sure its gas finds can be put to use within its borders. At the moment, El Mutún is so remote it is hardly in Bolivia. There is a train that goes through the hills from Santa Cruz to Corumbá, on the line that continues through Brazil to Bolivia's Atlantic port facilities at Santos. It is a popular route for smugglers, and there is a queue to Santa Cruz station at dawn to get on. "The trip is supposed to take 12 hours," claimed a Bolivian engineer engaged in a feasibility study at El Mutún. "The record so far is 43 hours."

This distant frontier has never been as conducive to good neighbourliness as Bolivia's undisputed, accessible southern border with Argentina. Despite the close relations maintained between Generals Banzer and Geisel, it is not hard to detect anti-Brazilian feeling, or at least suspicion of Brazil's economic and political ambitions. But as far as the gas is concerned, Bolivia is stuck with a buyers' market.

This may change if Bolivia decides to build a gas duct beside its oil pipeline to the Pacific coast at Arica. The possibility of liquifying facilities there has *already* been considered, but the country's gas reserves, though large enough to make a big impact on the economy, are not thought large enough *yet* to *justify* the cost involved in taking gas to the Pacific market. There have been some new gas finds, including at the oil field which *Occidental* Petroleum is now developing, but Government officials reckon the project will not be viable until proven reserves move up to 7,000bn. cubic feet. Until then, Bolivia is bound to sell to Brazil and Argentina—and they know it.

D.W.

A tamba (or inn) at Pocona. The trapezoid windows are typical Inca architecture. Senora Byrne de Caballera, British Consul in Cochabamba, has been closely involved in locating Incan sites and buildings in Bolivia.

Geraldine Byrne de Caballero

IT was Graham Greene who aid that all British consuls ere either archaeologists or coholics, the Honorary Consul . Cochabamba belongs firmly the first category. Geraldine yrne de Caballero is the volun ry and part-time representa ve of the Queen, and is also e curator of the local Univer ty Museum and Director of e Department of Archaeology Cochabamba, as well as the cupant of the Chair for the estoration of Monuments.

She took up the Consulship any years ago and still insists at it is "fun"—although her plomatic duties seem to con st mostly of rescuing drug appy travellers from jail or eciding the citizenship of a by born to an unmarried ritish subject. She also has sponsibility for a group of ennonites with Canadian pass rts who talk to her in Low erman, but also bring along interpretor speaking archaic rench.

In the 1930s Miss Geraldine yrne met a Bolivian in her anish-speaking circle in ondon. One of her grand thers had been a governor of ibraltar and married a aniard, so the cultural gap as not unbridgeable. She went ck to his parents' *finca* with m in Southern Bolivia, which those days meant a sea yage to Buenos Aires and veral days' train journey. Her sband's family owned 5,000 dian labourers, and lived, like others of their kind, in sumptuous style. Her mother-in-law travelled in a Packard, though few roads were adequate to carry it. When first she found her husband whipping the labourers she rushed to stop him; but was only hated for her pains. "He is our father, he must chastise us," was their response.

She did, however, learn fluent Quechua (a language as complex as Latin) and turned her energies towards the ancient pots and *objets trouvés* that the Indians found at work and gave her for a little corn, bread or medicine. For over 30 years archaeology was her private passion; as a student in England she had taken a short course with Sir Mortimer Wheeler in the British Museum.

But during the Land Reform of 1953 her husband lost everything overnight. The former *finca* owners rather pathetically turned to trade. Senora de Caballero worked in oil pipelines after she was widowed, until four years ago when she took over the Museum at the Universidad Mayor de San Simon. Although it contained some distinguished items, it was *still* virtually an *unclassified* dump for antiquities.

It includes the oldest dated man in South America, *el hombre de Jayhuoicu*, whose fossilised bones were uncovered by soldiers in Cochabamba airport. There are cabinets full of the finest pottery of the Classical Tihuanacu period, glowing with angular depictions of little men dancing with llamas upon a reddish glaze. When this pre-Incan culture collapsed—perhaps because of epidemics, but nobody knows why—they fled to the Cochabamba valley. The Incan Empire established itself firmly here as well and installed the Quechua language as the *lingua franca*. With their calendars, metric system and genius for agricultural storage and redistribution they organised a route for sending good maize and potatoes up the Inca "Royal Road" to Cuzco. They had neither wheel nor horse, yet distance and time seem to have meant little to them. The entire route was paved, though it took 80 years; altogether the Incas built 16,000 kilometres of road.

Forts

A great deal of Senora de Caballero's work lies in field-*trips* to locate a chain of Incan mountaintop forts stretching from La Paz to the Argentinian borders. With these their communications could be protected from the *Guarani*, a marauding nomadic tribe which still occupies the Amazonic flatlands today (and which ate an Australian missionary only ten years ago).

With her investigating team of four graduate students, Senora de Caballero maps all discovered sites and measures them. Her best example is Incallajta, six times bigger than Macchu Picchu and featuring 12 doorways for ascertaining the months, 52 wall-niches for the weeks and a tower that is ridged to determine the seasons according to the light.

Storage was the backbone of the Incan system, as is clear from the discovery of one hill-top site with the remains of 2,400 silos. The forts occur in such large numbers that Sra. de Caballero does not expect to see all of them, but her team have surveyed well over 50 out of a total 100 in four years and their sites include inns, temples and administrative centres as well as forts.

Sra. de Caballero is now writing up the finds with her team of investigators. She lives with her daughter, head of an English department, and her grandsons; another son lives in Puerto Rico and works for Gulf Oil. In nearly half a century in Bolivia she has been "home" twice, the last time seven years ago. Although she still calls it "home," she was horrified when she got there. "People have such narrow, limited outlooks in England." Her only frustration is how to get the books and papers she needs for her work. But with a constant toing and froing of students with projects surrounding her museum desk with queries, she is one of Cochabamba's best loved figures.

E.G.

Developed or undeveloped, sleepy or exciting, Bolivia's main cities have their own distinct characters as well as their own ways of managing the local economies.

Santa Cruz

THIS YEAR'S carnival season in Santa Cruz de la Sierra began with someone taking three potshots at the chairman of a civic committee and missing. Showing through its burgeoning prosperity Santa Cruz has all the qualities of a frontier town.

"Here you have a city that's 400 years old," a shirt-sleeved businessman said, "and didn't start moving till 1957." Twenty-five years ago, the town had 50,000 people. In the last census there were 257,000, which made Santa Cruz Bolivia's second largest city, ahead of Cochabamba. The surrounding department, a third of the country with a total population of 700,000, is Bolivia's biggest and richest. If Bolivia were to be compared with the U.S. in its frontier period, the Beni cattle lands to the north would be Texas, and Santa Cruz would be California.

The *cruceños* are renowned for their independent mentality. The old-world colonnaded streets echo to a cowboy philosophy of free enterprise and survival of the fittest. "This is a place where people can get things done," is something you hear at every turn. The preponderance of State bureaucracy, so obvious in La Paz, here is turned upside-down, and many think this is the main reason why Santa Cruz has got further and at lesser cost.

Different

Santa Cruz never had much to do with the rest of Bolivia. Land reform hardly reached the east, since there were no highland peasants there to claim their share, and the local lowland Indians were, as someone put it, "never much problem. Like everywhere else, they were just killed off or driven back." Apart from stovepipe-hatted women from Cochabamba, who can be found selling street wares, the people are noticeably different. Many claim pure Spanish descent, and to speak a "better" Spanish than is found in La Paz because of the town's long isolation. The women are strikingly attractive, and, in contrast to the highland, where a woman's role is one of patience and subservience, they rule the roost.

What brought Santa Cruz into the modern world was a highway through the hills from Cochabamba, completed in the mid-1950s. The road came a decade after the U.S. first offered finance for it: Bolivia was never able to find funds for its internal communications. A railway along the same route was started in 1928, but it only got 60 miles before the money ran out, and that is as far as it goes to this day. Finance came instead for the international railways, to La Paz from Chile, and in the east from Argentina and Brazil. Santa Cruz is where both these railways stop.

Simultaneously with the new road, Gulf Oil struck its first well south of Santa Cruz. Oil is the region's blessing. The department draws its wealth from an 11 per cent. royalty on oil and gas, and this has reinforced its independence from the central government. The bonanza shows every prospect of continuing, now that the State oil company is developing a new field north of the town, that Occidental Petroleum has struck oil and gas and that Amoco, Tesoro and Sun Oil are in there looking for more.

Santa Cruz now has a refining industry and a new factory zone making such things as textiles, plastics and wood products. But there is little market for industrial goods. Instead, Santa Cruz has two things going for it—its position as the biggest place for hundreds of empty miles, and thus its potential as a trading centre, and its agriculture.

The area produces sugar, cotton, rice, soyabeans and beef. In the north, rubber grows wild and is hardly exploited, while the region is so rich in tropical hardwoods that in Santa Cruz they make crates and window-frames out of mahogany.

The resources are there—but by the same definition they are a long way from anywhere else. The easiest export route is 2,500 miles by rail to Santos on the Atlantic, and freight charges add heavily to producers' costs.

The tradition of isolation has also made it difficult to adapt to other people's rules. The case in point is cotton, which is the nearest the region has been to a boom-and-bust cycle. Four years ago, when world cotton prices more than tripled, farmers found that they had contracted to sell their production at the old price, saw the main chance, and defaulted almost unanimously on their contracts.

Backing

Because of the boom, everyone was going into cotton and receiving big backing from the State banks. The Liverpool cotton mills responded to the unfulfilled contracts by boycotting Bolivian cotton. As world prices dropped, stocks built up, and cotton rotted away in the poor storage conditions. The Government eventually had to declare a moratorium on unpaid bank debts.

In 1972-73, Santa Cruz had some 144,000 acres of cotton. In 1974-75 the area was down to 115,000 acres and farmers were losing $50 an acre. Last year plantings dropped to 65,000 acres and have only now started building up again, to just under 90,000 acres. Last year farmers were losing, and if prices drop again they could be in trouble.

Santa Cruz is reckoned to have 65m. acres of usable land, but only 2m. acres are being farmed. The Government has attempted to bring people down from the Altiplano to the more fertile lowlands, but without much success. For the Indian peasants, the cultural jolt is compounded by problems of disease, and they are in any case firmly attached to their barren plateau. Instead, the colonists have come from outside. The Santa Cruz region has two large settlemens of Mennonite farmers, and the map shows four or five spots called "Okinawa Two," where Japanese immigrants live Japanese-style lives.

Germans are already long established in the area, and the Killmanns, Gassers and Bauers belong to the chief families of Santa Cruz, alongside the widespread Banzers. Increasing numbers of Chileans, Argentinians, Americans and Brazilians have also been moving in.

Land is just about the cheapest anywhere. Uncleared territory is yours for between nothing and $0.80 an acre in the remoter parts, and although the natural pasture has all been claimed, it can still be bought, fencing and all, for perhaps $2 to $3.20 an acre.

Although Santa Cruz has a higher per capita income than other departments of Bolivia, there is extreme poverty in some of the eastern areas, worse, according to a senior local official, than any on the Altiplano. However, spending on basic facilities in these areas is being sharply increased. This falls under the responsibility of the Santa Cruz Public Works Committee, whose *raison d'être* is to think of ways to spend the department's oil revenue. It is financing most of the work on a road to Trinidad, *in the Beni*. It, *not* the Education Ministry nor the Health Ministry, builds the schools and hospitals, and *is also engaged* in providing electricity, drinking water and public markets, as well as having a range of manufacturing projects varying from cheese to cement.

The committee has never, however, had to fork out a penny for an oil well, pipelio or refinery. Of this year's $40m budget, $25m.—or as much a the total 1976 budget—come from oil and gas, and the rest apart from a few odd taxes suc as on beer and spirits, from e ternal loans.

With the inflow of funds int the region, and the increasin needs of farmers, banks are pr liferating. Banco Santa Cruz, s up ten years ago to represen the different business sector which each have a shareholder group and a director on th board, has opened branches i La Paz and Cochabamba a now counts a bigger total deposits than any other no foreign-owned bank in Bolivi The Bank of America is in San Cruz, as is Banco do Brasil. Th Bank of Boston is due to open March, but its manager h already had a foretaste of entr preneurial spirit in the for of loan requests for "two bow ing alleys and an ice-skatin rink."

People who knew Santa Cr ten years ago describe how lon clawed sloths lingered in t trees, how there was no lightin in the streets at night, how t only transport was run by jee (which still run a taxi servic and ox-carts, and how when rained people paid boys wi sedan-chair contraptions carry them across the m streets. These days in the cen of town it is difficult to find parking space.

D.

La Paz

HOW DO YOU best convey the life of a foreign city like La Paz. You might collect an assortment of odd facts; that there are over two hundred rivers *underneath* the city, or that tennis balls have to be expensively depressurised because of the altitude. You could mention that all visiting football teams arrive *a week* early to adjust to the thin air—but always lose anyway. You might point out the lamp-post where President Villarroel was hanged by the mob in the Plaza Murillo on July 21, 1946. You tell visitors the exact spot on Calle Buenos *Aires where* the *cocoa* leaves *are* sold by two Aymara women for 80 pesos a pound. But these details do not add up to La Paz.

There is little that is even conventionally picturesque about La Paz, always excepting the majestic mountain backdrop of the Cordillera Real. Extraordinary in more ways than the guidebooks can say, it is also a growing city with a feeling of hard work and stamina about it. Tourists are a very new sight. It is one of the very few big Latin American cities where the visitor does not have to bury his money and passport deep down inside his shirt. There is a ceremoniousness in the way a *paceno* will explain the bus system to a foreigner, or present you with a letter of introduction to his friend.

* * *

Capital in all but name—for the High Court is in Sucre, the official capital, hundreds of kilometres away—La Paz has completely forgotten the brief rumour of last year that important institutions might be moved to Cochabamba, the second largest city. The story blew up during a war-like mood; La Paz is uncomfortably near the Peruvian border, while Cochabamba is central and easier for communications. But *Paceños* suspect the whole fiction was invented by *Cochabambinos*.

For the *fact* remains that La Paz is the political and economic nerve centre of the country. Yet in *all* probability the *Spanish* tin merchants who chose the chasm of the River Choqueyapu for their new town of *Nuestra Señora de la Paz* in 1548 never meant it to be more than a temporary halt for their llama trains. A useful stop-over point from Potosi to Lima, the settlement huddled at the bottom of a 1,400 foot deep canyon. Mount Illimani (21,185 feet) and the neighbouring peaks of Illampu and *Huayna Potosi* still protect the city from the worst of the Altiplano winds—and help produce the rain that washes the city nearly every day from December to *February*. When gold was afterwards found in the Choqueyapu, the settlement *rapidly* developed into four small Indian towns and one Spanish town.

But the steep walls of the canyon prevented the Spanish from using much of their customary gridiron plan, as in Lima or Santiago. Instead the city has been gradually squeezed into a spoon-shape. The adobe houses of the Aymara Indians tumble down the higher slopes, literally on occasions in the rainy season. The oldest buildings in the city are here—the 16th century church of San Sebastián and the house of the early Aymara chieftain Quirquincha—and the districts have lovely names: *Vino Tinto* (red wine), *Agua de la Vida* (water of life). You can ask a policeman for the "Black Market" and he will wave his *long wooden truncheon* in the general direction of the jewellery cabinets on Calle Sagárnaga and beyond. Even the richest Bolivians will climb up here—to buy their illicit bottles of Scotch.

Descent

The descent into the city centre past the luxuriantly baroque mass of the church of San Francisco is a steep one. The roads are unevenly paved with large stones and even the citizens keep their eyes on the ground as they slope down with long even strides. The main artery of the city has various names but is generally referred to as simply El Prado. Here begins the affluent section, with hotels and office blocks of undistinguished modern design between pockets and enclaves of old colonial houses. It leads downwards into the handle of the spoon, the lower and sunnier residences of the wealthy in Calacoto and La Florida with their flowering courtyards and pink rooftiles.

* * *

But in one way, at least, both affluent Calacota and the higher Indian communities suffer. Neither Calacota nor La Florida has a sewage system and some of the newer Aymara communities like El Alto on top of the Altiplano lack water as well. In fact, 60 per cent. of the city has been utilising one or other of the 200 underground rivers as a makeshift drainage system. The stone culverts that were built to cover these some three or four hundred years ago have effectively not been touched since.

"Town planning has been unknown here, until now," explained the Mayor, Sr. Mario Mercado Vaca Guzmán. A former businessman and president of several private companies, Sr. Mercado and all his leading architects and engineers were drafted into the civil service by a particular Bolivian law in July 1975 which allows the Government to order whom it chooses into public office. Sr. Mercado took the blow with his customary dash, bringing a shirtsleeved image to the City Hall, and ordering out his staff on regular Tuesday and Saturday field trips around the problem areas.

The population of the city at the last count was 700,000 and is growing at the rate of 3.9 per cent. per annum. Mercado's estimates for the year 2010 vary between 1.5m. to 2.5m. he hopes it will prove to be the former. Not the least of his problems is the steady trickle of immigrants from the Altiplano. Ironically, they began to arrive in greater numbers after the agricultural reform of the 1952 revolution. The plots of land handed out to them were sometimes subdivided again and often did not sustain families.

To make matters even more complicated, city housing does not fall under the jurisdiction of the Mayor, but under the Ministry for Housing. Despite this, Mercado has scheduled a pilot scheme of 100 low-income houses for June and is working on models of lighter houses, using iron and cement, suitable for the extremely shallow soil of the altiplano.

* * *

Every shower of rain in January makes Mercado's engineers look anxiously out of the window of the City Hall. Last year on January 24—the day of the Alacitas Festival—a mudslide caused by rains swallowed 20 cars and reached El Prado, *several kilometres* lower down.

One of Sr. Mercado's most daring public works was the anti-landslide scheme, which his engineers based upon an Inca method of banking up terraces with draining channels. Various foreign experts have come unsolicited, to inspect the schemes. The most hopeful verdict came from

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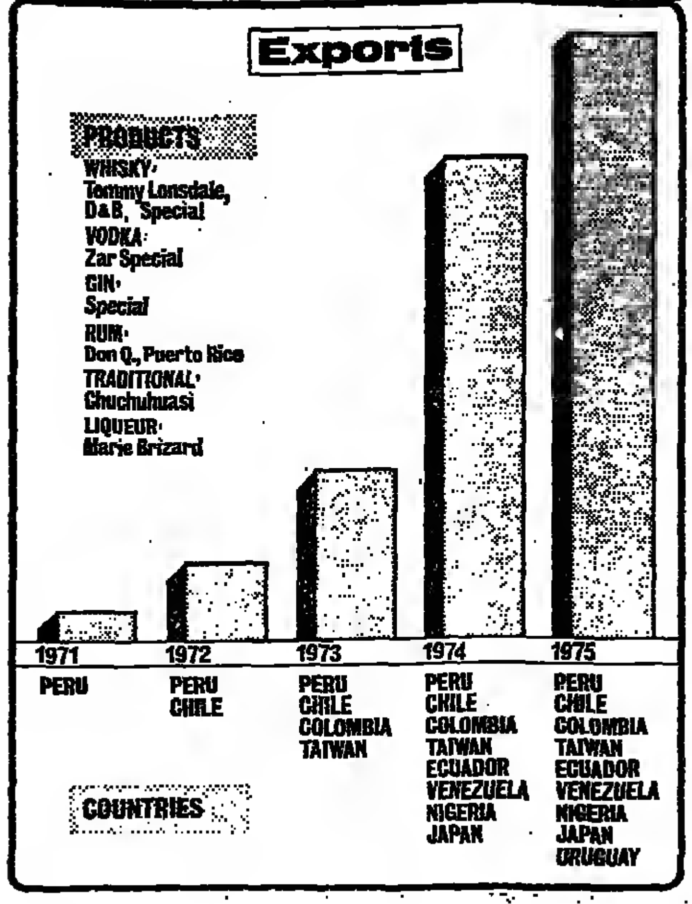

Cochabamba

AT THE moment the second largest town in Bolivia is in theory enjoying a high summer, its famous climate lightly sprinkled with an annual average of 450 mm. of rain. Normally this would be enough to keep its reputation as *El Granero de Alto Peru* and agricultural larder of Bolivia intact. But its ancient nickname and indeed the very name of Cochabamba—meaning "water meadows" in Quechua—are becoming more and more ironic. For the River Rocha is now a few muddy puddles between the football stadium and the new national park, and the Quechua women are washing right in the middle of the former stream, while only the tiniest boys can manage to swim. At the southern end of town a putrid smell hangs above the airport; it is the Angostura dam, now dry though it usually irrigates 6,000 hectares.

Between the football stadium and the airport the 180,000 inhabitants rise early to fill their baths with the available water and wonder how they are going to get through the very dry winter. *It is the subject* of all chatter in the tea-rooms where the Cochabambinos eat their delicious ice-creams and cakes. Preferred dress is blue jeans for anybody under 30, and they always contrive to look as though they are on holiday. The town has that kind of reputation, with its carefully tended squares and its flat provincial buildings: indeed, the President has his country home here—at Carcaje, near a spectacular lake and hotel. The valley air, at 2,560 metres, affords noticeable relief after the heat of La Paz.

But beneath the insouciance, Cochabamba is truly worried. Around 70 per cent. of the population of the province works in agriculture, and has done from earliest times. The Tihuanacu civilisation emigrated here, lured by the climate, and the Incans made this area their food storehouse until the coming of the opulent Spanish *finca* owners — and ever since this has been the provider of the whole country in fruits, vegetables and grain. Even now the mentality of a Cochabambino contains an element of the provincial farmer — albeit a dispossessed one.

Floods

In fact, there is no water shortage in the higher areas or the lower, tropical areas. But while the Amazonian province of Santa Cruz has been suffering floods and a score of deaths *as a result of incessant downpours*, Cochabamba cannot remember a heavy downpour this season since the day of the football match with Santa Cruz at Christmas. (This being Bolivia, of course, the football crowd did not budge. The brass bands continued to play funeral marches when Santa Cruz scored and the spectators tore up their paper cushions and hurled them on to the field, together with live chickens dressed in team colours.) But meanwhile the Cochabambinos *are pinning their hopes on the* multiple project at Misicuni up the valley. In theory this new dam could irrigate 20,000 hectares and provide drinking water for 600,000 people until the year 2005 as well as generating 100 MW of electricity. But the dam is still in the blueprint stage and is not expected to materialise before 1983.

What is galling for the townspeople is the large part their water plays in giving the country electrical power. Two local hydro-electric plants, Corani and Santa Isabel, supply 36 per cent. of the country's needs. The plight of the town is nothing to the plight of the farmer; community development schemes are putting 50m. pesos into new micro-irrigation schemes which include digging new wells. But the steady emi*gration from the land that* followed the 1953 Land Reform and the subdividing of the reallocated plots continues. What industry there is involves shoe *manufacture* (the *Manaco* factory sub-division of Bata of Canada, employs 800 workers who are now said to enjoy the best pay and benefits in the country) and textiles. But the Province accounts for only 12 per cent. of national industry.

Cochabamba has three agricultural zones: the altiplano section lies at a height of 3,400 metres and produces 26 per cent. of the country's potato crop, and much of its mutton. Ministry of Agriculture figures show that the yield has improved in the last twenty years from 4,500 kg. to 6,700kg. of potatoes per hectare. But all the farms are small, averaging around 10 hectares (25 acres), *and* may contain a *variety of* minor crops like oca, barley, oats and broad beans, as well.

The tropical sector is Chapare, with a 4,000mm. annual rainfall and a tropical climate ideally suited to fruits like papayas and avocadoes, timber and rice crops. Recently pineapples were introduced—an obvious winner, if an afterthought. A new scheme brings livestock from Beni by river transport for fattening: it is too early to know if it will be successful.

But it is the middle sector in the valley which is giving the Ministry of Agriculture cause for alarm at the moment. The temperate zone is ideal for dairy farming, poultry, cereals like wheat, corn and maize, fruit and vegetables. When the Misicuni dam is built it will benefit *some 10,000 farmers* in the area. In all three zones there are Government research stations: at Toralapa, Chibiriri and San Benito. "Our main objective," *said the Director of* the Ministry's Cochabamba branch, Sr. Secundo Alandia Borda, "is to raise the standard of living of the campesino." It is generally *agreed* all round that the Land Reform was economically disastrous for the Province and that insufficient capital has gone into technical research.

Foodstuffs

When I met Sr. Soria of the Associacion de Avicultores he was in the middle of an urgent meeting of principal poultry farmers in the area: the topic for discussion was foodstuffs. But the 183 members in the Province have a more unusual crisis ahead—they are growing too fast. In 1971-73 they had a harmonious growth rata of 12 per cent., approximately nicely to public demand. *From 1974* to 1976 the growth rate shot up to 32 per cent.—and this year rocketed to an alarming 102 per cent. There are some 10,200,000 chicks in brand-new incubators at the moment, compared with last year's 4,800,000. Where are tha Bolivians to eat them all?

The explanations for the unprecedented increase is the 9 pesos profit a farmer can make on every chicken, earning 25-30 per cent. over his investment. Chicken is dearer than beef in Bolivia: a kilogram of best beef is 25 Bolivian pesos whereas a kilogram of chicken is 27 pesos, which means a whole chicken could cost $2, or more. With this seductive profit margin, the biggest poultry farmers are tempted to re-invest with all speed. It is a fairly simple business and it attracts a new breed of farmer rather than the traditional kind: the well-organised businessman.

But much harder to solve is the transport problem. Transport union lorries do not run the essential ventilated vehicles: establishing their own fleet will involve mountainous paperwork between Government, union and farmer. It is an old problem.

At Irquircollo, nine km. outside the town, the Government-run PIL (Planta Industrializadora de Leche) is pasteurising 50,000 kg. (litres) a day as the only milk plant and distributor in the country. But the drought *has dried* up grazing and *farmers* are fast using up all their silage; in two or three months the June to October winter season begins. Consequently the Asociación de Productores de Lecha is drawing up emergency plans for its 400 members, most of whom are campesinos of farms as small as 2-3 hectares (5 acres). Associación members are currently producing 80 per cent. of all milk consumed in the country.

The first point on their emergency programme is a $300,000 loan from tha Government with which they hope to buy alfalfa from Oruro and cotton seed-meal and molasses from Santa Cruz. Tha Asociación *is* some 40 years old and in *all* that time has known only two strikes: both over the milk price. After the last one two years ago the farmer received an increase of over double to 3.30 pesos per litre. Milk currently costs 4 pesos a litre.

José Quiroga Salamanca, President of the Asociación, reckons a total of only 10-15 milking machines are used among the 200,000 prime cattle of the valley. This situation is beginning to change, with the purchase of 20 milking machines available on three-year loans. Feeds, concentrates, tractors, machines and cars are sold to farmers at cost price—the last being the most essential and the most costly—a small Volkswagen now costs $8,000. But life remains hard for the small dairy farmer. In theory he inherited the earth after the Land Reform; but he has no insurance, no scientific advances and spare parts for his machines are hard to come by, as well as credit to buy new ones—and this season he is running out of *feeds* as well.

Only one-fifth of Cochabamba's farmers can boast of farms over 20 hectares and nearly all of these are under 40 hectares. They have one factor on their side: the excellence of their cattle.

It was Cochabamba's most famous native son, Simon I. Patiño, who brought back the prize-winning Holstein Black Friesian stock from an American state fair. They are bred together with some stock imported from Argentina to a standard high enough for Argentinian buyers to take them back again.

Always remembered as the Fifth Richest Man in the World, Patiño's mark upon his home town was as beneficial as he could make it. Though not quite a *cholo*, he was by birth a humble miner and must have inherited the *kind* of canny money-sense shown by the Quechua women in the *Concho* market place. At any rate, by prudent investment outside the country Patiño became the chief tin baron, known as the King of Tin. The wealthy *finca* owners never forgot his origin. When he paved an avenue from his mansion at Pairumani, they refused to allow it to bear the name of the Avenida Simon I. Patiño. He gravely insulted the Cochabambinos by building the town public baths—a sorely needed but sensitive item. He was blackballed from all the clubs. Even after he had built the delightfully eclectic quasi-French chateau, Portales, with its bits of Sistine Chapel here and pieces of toy-Palladiana there and endowed it as a training college, he remained an outsider. Cochabamba changed its mind when his son married a Bourbon. But by then it was too late; in 1921 he went to France and there he stayed, with a huge house in Paris and another in Biarritz. There must be a novel there somewhere.

E.G.

Sucre

SUCRE IS THE capital of Bolivia. It could be the capital of Nirvana. Now a quiet backwater whose political importance stems solely from the fact that it has hung onto being the seat of the supreme court, the city is crammed with former Spanish palaces, whitewashed and roofed with red tiles. Some of the palaces have become museums, as have some of the convents and monasteries. Others, such as the building which used to house the Audiencia de Charcas, the seat of the Spanish colonial administration for the region, are still in private hands. In them the older and more distinguished Bolivian families live out their lives in shady patios to the sound of water fountains. They are the descendants of the first Spanish settlers who made their fortunes from the silver mines of neighbouring Potosi but who sought somewhere more hospitable and gracious to live than that hard, cold and rainy city. To add to its courtly air it is the seat of the Primate of Bolivia, and Cardinal Clemente Maurer presides *over* the church from its baroque cathedral on one side of the main square.

The city which in colonial days was known as Chuquisaca changed its name after independence had been proclaimed there to Sucre, in honour of the marshal of French descent who was responsible for chasing the Spaniards out.

To-day the pulse of the city beats slowly. It is a long way off the La Paz-Cochabamba-Santa Cruz development axis, which cuts across the country from North-West to South-East. It has not attracted much new industry and it cannot any longer count on Potosi providing it with a living. In contrast to the more bustling towns of Bolivia it cannot count on a daily air connection with La Paz, and the train calls once or twice a week.

Its future must lie with the tourist trade but, unlike either La Paz or Santa Cruz, it has not yet caught the attention of any of the international hotel operators. Facilities for tourists as they are at present are decidedly meagre.

Perhaps Sucre will never be "discovered" by any tour operator and it will drowse on till the end of the century, dreaming of the days of its glory, jealous of its supreme court and its massive 19th century theatre. And if that happens this traveller, for one, will be thankful.

H.O'S

La Paz

CONTINUED FROM PREVIOUS PAGE

a German specialist working with the World Bank who said that he had never seen anything like it—but did not see why it should not work. The scheme is now five months old and shows no sign of cracking—but every time there is a heavy shower tha engineering department rush up to look.

Senior technician Sr. Adolfo Navarro estimates that 90 per cent. of the city will have all the water it needs by 1978, with help from the German Government in the El Alto district amounting to $8m. The Inter-American Development Bank is contributing an addition $6.3m. towards renewing old systems of drainage, while the city itself is contributing $1.5m. towards the 500 public works and 30 surveys carried out during Mercado's term of office as Mayor.

The new and indeed first-ever Planning Act announced by the Mayor last month was sweeping. Unfortunately it has no binding force as yet. Where previous and halting attempts at conservation had named a handful of buildings in the city, the new Act zones the entire areas of the 16th century city around the Plaza Murillo. It also lists over 200 buildings. "The city was rapidly losing its colonial charm. From now on it will no longer be possible to destroy listed buildings—or at least when the Act becomes law. But meanwhile our most pressing problem is to find qualified town planners—there are only ten in the country," lamented Sr. Mercado.

The apple of the Mayor's eye is a vast scale model of central La Paz, on which he proudly pointed out the site of two new museums. One is a ceramics and costumes museum *on Calle Jaén*; the other, also *half*-constructed, is a Museum of Pre-Columban Precious Metals and will contain over 900 pieces of gold armaur and jewellery.

For *the La Paz of* the year 2,010 *some* very long-term geological surveys are under way. Two French teams are here, studying the varieties of soil and in particular the so-called "mud torrent" type which is unique to La Paz. They are to help the municipality decide upon the more permanent types of housing possible, where the soil is not deep enough for foundations. Then, and not until then, the municipality will embark upon the ringroad and the highways they envisage as well as the best sites for the "secondary cities." It looks as though the 400 *laissez-faire* years of the city are almost at an end.

E.G.

BOLIVIA XIV

Lack of funds is a major headache for those trying to preserve Bolivia's artistic wealth. In addition, works of art are being stolen in large quantities.

The arts

ALFREDO LA PLACA has one of the most splendid offices in La Paz. Sited in an old colonial palace on the corner of Plaza Murillo beside the handsome 18th-century cathedral, it overlooks a pleasant patio with a fountain and a flight of stairs in translucent alabaster. The office is full of magnificent gilded colonial furniture and adorned with canvases of the best 18th-century painters of Upper Peru.

This office may be considered as a consolation for the holder of one of the most difficult jobs in Bolivia, that of the Director of the National Museum of Art, an institution which occupies the rest of the palace. The total budget that the Government is able to devote to the arts is only slightly in excess of $¼m.—enough, for instance, to pay the salaries of the staff of the museum and other similar bodies, but not enough to give the museum an acquisitions fund.

"Every so often a private seller comes along with a Bolivian work of art to the museum asking if we are interested in buying it. But with no funds to spare we've never managed to purchase anything," Sr. La Placa reports. "We have to rely for acquisitions on the works that the customs confiscates from those they catch trying to export them illegally. That and gifts constitute our only sources of new works."

Like every other Bolivian who is concerned about the country's artistic heritage, which is considerable, Sr. La Placa is worried about the lack of funds to establish a sound museum system in the country and the enormous yearly outflow of pictures and other pieces from Bolivia.

It is a sad fact, for instance, that in the city of Potosí, which was at one time the biggest and richest settlement in the whole of the Western Hemisphere and from which a tide of silver flowed every year, is unable to mount a show of all the types of coins that were struck in its great mint. The colonial museum at Sucre, the country's official capital, is short of money and nowhere in the republic is there a good representative collection of modern Bolivian painters.

A detail from the facade of the Church of San Francisco, La Paz.

Meanwhile, Bolivia is a prey to the international art thieves who are now attacking with every modern aid, down to light aircraft, to take their booty over the border.

"We have calls warning us that such and such a church is in danger of falling down. We have no funds to help with repairs and often the next thing we know is that the building has been stripped of everything of artistic value. The thieves observe the place very carefully and when, for instance, there is a fair on and the local population is caught up in the gaiety of the celebration, they pounce," the director says.

Evidence

Another constant source of loss, Sr. La Placa says, is the diplomatic corps. Without hard evidence that the various diplomatic bags are being abused, evidence that is very hard to come by, it is difficult to do anything about it. One senior Government official in La Paz suggests that around 300 pieces are lost to Bolivia each year through the diplomatic pouch. "Sometimes the works go out in packing cases but there is little we can do about it," he says.

In order to deter the ordinary tourist from taking works of art out of the country illegally the personnel of the Bolivian customs would have to have a good knowledge of the speciality and be able to spot, for instance, a genuine colonial work from a modern copy. This specialised knowledge they often do not have.

So through all these escape routes Bolivia's colonial heritage or religious works and portraits and fine sculpture runs away.

Sr. La Placa has his own theories about how the problem could be tackled. "I used to talk to the Chilean artist Nemesio Antúnez when he was director of the Museum of Fine Arts in Santiago and he said, 'When I talked to my diplomat friends I used to tell them the pictures that in no circumstances could be taken out of the country. I did my best to stop the major works leaving Chile and trusted that the losses could be kept to the minor pieces.' That is the sort of policy which could help in Bolivia today."

One of the few favourable signs for the cause of conservation is the fact that the Brazilian market in artistic contraband seems to have been sated for nearly a year now.

Sr. La Placa feels that much could be done if there were greater co-operation between the Church, to which many of the best works belong, and the State. "We have periodic sessions with the Church authorities but they are shy of too much collaboration. I think they are afraid of some sort of a takeover."

When it comes to contemporary artists the problems are almost a mirror image of those connected with colonial art. The moderns suffer from a severe lack of foreign interest in their work. Worse, the interest within Bolivia in modern painting is only just beginning to make itself felt. For years those Bolivians with the money to buy pictures tended to favour the more sugary productions of the minor Parisian painters of the early part of this century.

This is now slowly changing under the influence of the increased prosperity the middle classes have enjoyed in the Banzer period. The banks of La Paz are starting to patronise living artists and the business group which bought out the Bolivian interest of the U.S. Grace company has founded a local Biennale with awards for the entries adjudged best.

La Placa himself has gained an award at the São Paulo Biennale. A few yards from the Museum is the studio of Gi Imaná, a La Paz painter who has been influenced by themes from indigenous life. Other contemporary artists such as Graciel Rodó Boulanger, Fernand Montes, Alfredo da Silva and María Luisa Pacheco hav sought greater recognition i the U.S. or Europe.

H.O'S

The Catholic Church is virtually the only body able to offer serious resistance to the Bolivian Government. But although friction between the two is considerable, there is little likelihood of a serious rupture

The Church

MGR. JORGE MANRIQUE, Archbishop of La Paz, is a man who suffers from ill-health. His heart has to be helped to keep going by an electric pacemaker. "We have sometimes thought that if we could get a magnet near enough we could stop it," a senior industrialist remarked to me. He was only half joking. The archbishop is not a popular figure with the Bolivian establishment.

"I know for a fact that the Church was financing the strikers in the mines last year and it was doing it for political purposes," said another senior manager. "Church criticisms of the Government and its economic policies have been unjust and politically motivated," remarked a leading Government figure.

At a time when the Government has put an end to the activities of political parties and trade unions and imposed a general wage freeze, the Catholic Church in Bolivia is the only body which can offer resistance to Government policies, a resistance which is all the more serious because of the Church's strong hold on most Bolivians.

The relations with the Government of General Banzer got off to a bad start when, during the 1971 coup d'état, a Canadian missionary, Fr. Maurice Lefevre, who had become dean of sociology in the San Andrés University of La Paz, was shot dead while attempting to rescue the wounded. At the same time some sectors of the Church, including some Jesuits and a number of Franciscans, welcomed the advent of General Banzer as a blessed relief from the agitated days of General Juan José Torres.

But as the Banzer Government settled itself in, those who had misgivings about his social and political attitudes became ever more vociferous within the Church.

By the end of 1972, 18 Catholic priests and four nuns as well as three Protestant pastors had been expelled from the country for their attitudes towards the Government, and 15 religious establishments were searched for political fugitives. In July, 1972, Cardinal Clemente Maurer, the German-born Archbishop of Sucre and head of the Catholic Church in Bolivia, warned that the attitude of the Ministry of the Interior towards some priests throughout the country was "unheard of" and was making for tension between Church and State.

At the same time the Government which had proclaimed its attachment to the "ideals of Western Christian civilisation" and which presented General Banzer as "the foremost Christian of Bolivia" was unwilling to have a formal break with the Church. Some local authorities were outspoken in their criticism of the clergy. For instance, Sr. Widen Rasuk, the Prefect of the booming oil town of Santa Cruz, announced in May, 1972, "I consider it neither an abuse of my position nor presumption to defend the people from the brigands who with impunity hide behind a guerilla's cassock." The central Government was usually, however, more measured in its pronouncements.

Impatient

Many in the Church were impatient that the ecclesiastical authorities had not taken a more active role in criticising the Banzer administration, and in January, 1973, 99 priests, religious and pastors, issued a document, Gospel and Violence, which was severely critical of the Government. It began, "Many of us in the Bolivian Church feel guilty for our silence in the face of the events which are upsetting the country. In the face of facts such as the repression, arrests, economic crisis, the sackings of so many workers, the murders and the tortures we have kept quiet as though we were not of this world." The document went on to make a series of specific criticisms of the state of affairs in Bolivia from the Government's denial of human rights to the meddling of the U.S., the USSR and Brazil in Bolivia's internal affairs.

This publication was followed shortly by the establishment of the Catholic Justice and Peace Commission, headed by a former President, Dr. Luis Adolfo Siles Salinas, whose first task was to offer assistance to those who had suffered as a result of their attitudes towards the Banzer Government. The Justice and Peace Commission was soon seen as a thorn in the Government's side with its continual agitation in favour of political prisoners.

Worse was to come, for in February, 1975, the Commission published a document on the disturbances of the previous year in Cochabamba when peasants had taken to the streets in protest at the rise in the cost of living resulting from the big devaluation of the peso. It accused the Government of using excessive firepower in its efforts to disperse the demonstrating peasants and alleged that the death toll was many times the figure of 13 which had been announced by the Government.

After pressure from the Government, and in the interests of not straining relations with it too greatly, the Conference of Catholic bishops declared the Commission in recess until it could be reorganised.

As the Bishops' conference was taking that decision the tension between some parts of the Church and the Government was well illustrated by the decision of Mgr. Manrique not to invite the authorities or the diplomatic corps to the traditional services for Maundy Thursday, 1975 and the decision of the authorities to come uninvited with the accompaniment of an armed guard.

Last year saw further clashes between Church and State, this time over the attitude to be adopted towards the miners of the Siglo Veinte, Llallagua and Catavi, who went on strike in defiance of the wage freeze. The rejection by the Government of the Church's offer of mediation which had been accepted by the miners and the decision to put troops into the pits brought a further chilling of relations between the bishops and the authorities, and the former ended by calling for a halt to the sackings of miners and an end to victimisation.

In the end the strike collapsed as the Government continued its squeeze on the mining towns.

The simple recitation of a list of instances of friction between the Church and the State would, however, give a misleading impression of the real state of affairs, which is a distinctly more subtle one. Both parties are conscious that, as things stand at the moment, there is no question of a total rupture of relations. The Banzer Government is conscious

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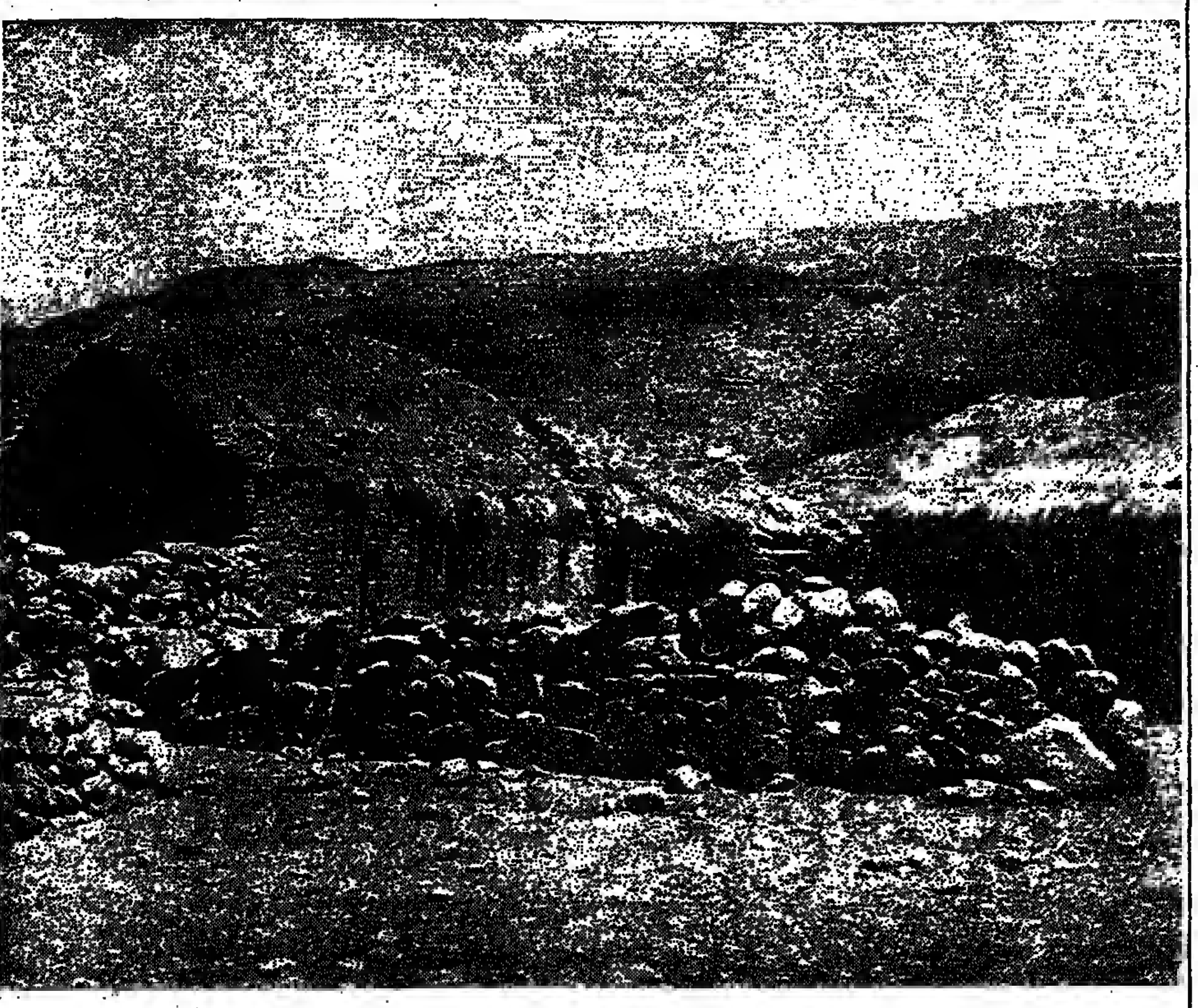
BOLIVIA XV



A remote farm in southern Bolivia.

In a tropical region so remote and under-developed that flying is the only practical means of transport, a handful of ranches contain more than half of Bolivia's cattle herd. The article below recounts the experience and views of one of the local ranchowners.

Down on the ranch

CARLOS SCHENSTROM'S ranch lies 25 miles north of the small town of Trinidad, capital of the spacious tropical lowland region of the Beni. You fly there. From 300 feet up the horizon is uniformly flat on all sides, and below is a threadbare carpet of yellowy pasture with patches of tree cover and, at this time of year, so much water lying that sometimes the whole place looks as if it might be afloat.

"Planes to us are like cars." Schenstrom pointed down from behind the controls of his fore-and-aft-engined Cessna to the trace of a road being built from the town to San Pedro, a tiny settlement six miles from his ranch, San Juan. "It won't make a lot of difference," he said. "We don't really need Trinidad very much."

Ranchers in the Beni, where the herd of around 1¼m. head is more than half Bolivia's cattle stock, and where there are eight cattle for every human being, have to do it all themselves. The region, over which cattle have roamed semi-wild for centuries, is still in the pioneer stage. In the future, given help from the Government, Carlo Schenstrom reckons it could comfortably support 10m. head and an important meat export industry.

At the age of 28, he controls about 380,000 acres of land backing onto the Mamore River, which runs north into the Amazon network. He gets round the home-made tracks on a small Japanese motor-cycle, ploughing through rivulets and scattering herons and ostriches from among the long grass. A stylised ostrich is the brand which identifies San Juan's hump-backed zebu cattle—all 40,000 of them. It is a big farm.

Schenstrom took it over six years ago, following the death of his father, an Argentinian of Swedish origin who came to the area after the war with some bought-up transport aircraft and set up in business flying beef to La Paz. Although the Schenstroms sold their aeroplanes to buy land, beef is still flown to La Paz, 275 miles away and two miles up into the sky. The other ranches have to do the same.

San Juán produces 4,500 head a year, all for the La Paz market. The zebu cattle, with their characteristic dome of meat above the shoulders, have come to outnumber the local *criollo* strain, descended from European stock. *Criollo* cattle can be found more or less anywhere in Bolivia, even among the millions of sheep, alpacas and llamas that inhabit the high Altiplano, but are poor producers compared with the *zebu*, better adapted to tropical conditions.

Since plans to strengthen the strain by importing animals from India, the original home of the zebu, have run up against rinderpest regulations, the bulls have to be bought from Brazil. Ironically, because of shortage in the border regions, that was the only place to which Bolivia managed to export cattle last year.

Export

The area needs to export. "The Beni," says Carlos Schenstrom, "already produces enough to supply the whole Bolivian market." Although three or four years ago there was a steady supply of meat to Peru and Chile, this has now stopped. Producers in Argentina and Colombia have been able to get their meat there more cheaply. The Santa Cruz region of Bolivia, which usually produces only for its own market, has begun sending a tiny quantity—6 tonnes a day—to the Chilean copper-mining town of Chuquicamata, but the country as a whole is faced with the problem of over-production.

The cattle business is in a peculiar state. Dairy farming is only really developed around Cochabamba, and, according to the Agriculture Ministry in La Paz, Bolivia spends between $3m. and $4m. a year importing milk. On the other hand, it has exportable production of beef and cannot sell it. The reason is a familiar one for landlocked Bolivia—transport.

Transport presents problems enough in the local market. Until recently, the San Juan ranch sold its meat in Trinidad to a co-operative which ran its own planes to and from La Paz. But the co-operative folded when it defaulted on a $5m. foreign loan. Now Sr. Schenstrom has had to hire his own air transport and bear all the risks. A neat reminder of what the risks are lies quite near his house, the hulk of a DC-6 which crashed with 10 tons of meat abroad.

Roads are promised to Cochabamba and to Santa Cruz, the latter being due for completion this year. There is a road of sorts from Trinidad to La Paz, but the lack of gravel surfacing and adequate bridges makes it unusable in the rain season, when as much as half the land in the Beni can be waterlogged. Then one has either to fly or take to the river to Cochabamba. In the dry season, when the pasture turns from yellow-green to grey, the river is also unusable.

San Juan also has no public electricity supply, no public drainage, no telephone (communication is by radio), no water supply. In return no taxes are paid to the central Government, although the Beni Department has this year set a 30 per cent. tax on cattle farmers' profits, having few other sources of income.

Of the half-dozen big ranches in the area—and they count among the biggest in the world—only the Schenstroms live on their farm. At first, as Irene Schenstrom recalls, it was tough going. The place is alive with mosquitoes and the rivers where people bathe are shared with snakes, alligators and piranha fish. Visiting a U.S.-owned ranch which generated electricity all day, "we thought that only gringos could have these things in the Beni."

Trinidad, an attractive, low-slung town of 28,000 people, has no good hospital, "although there is a good doctor." Until a year ago, when Lloyd Aéreo Boliviano began flying Boeing 727s there, it had only an unpaved runway, and travellers in light aircraft from La Paz had to brave a scenic slalom course through the mountains.

But things have changed a little. The Schenstroms have just moved into a $150,000 house, with a white-domed roof, a lookout tower to be used as a radio station, a billiard room and the Beni's first-ever swimming pool (there is now another one in Trinidad). "We thought, if we're going to live out here, we might as well live well."

Materials for the house had to be flown out like everything else, except for the wood, cut from local trees, and the bricks. San Juán has its own small brick factory, housed in a corrugated iron shelter, to build lodgings for the 100 or so families who work there.

The ranch is virtually self-sufficient. Some foodstuffs, like vegetables, have to come from Trinidad, where tomatoes cost four times as much as they do in La Paz. When supplies run out, the Schenstroms go back to the standard local diet of meat and rice. The next farm is 30 miles away. A tractor being delivered overland from Santa Cruz took nearly three weeks to arrive—the standard time along that particular cattle trail.

Survival

The present worry is that the Government will reduce its subsidy on aviation fuel. Higher transport costs have already cut into ranchers' earnings. With retail prices for meat frozen as part of the Government's anti-inflation campaign, it is calculated that producers' income has dropped from 15 pesos a kilo to 13. For the smaller ranchers the transport and marketing problems are threatening their survival. The Beni has about 3,000 cattle farms, most of them between 1,200 and 12,000 acres, usually supporting no more than one animal per 10 acres. The smallest farmers are now simply finding themselves unable to sell their meat, or to repay their bank debts. The Banco do Brasil, one of the leading banks in the region, is believed to have outstanding loans of as much as $9m.

Cattle are the Beni's past and future. There have been some experiments with oilseeds and other crops, and San Juan grows enough rice and corn for its own use, but the climate and soil do not hold out much prospect of other kinds of agricultural wealth. On the other hand, the meat, although of a different kind from that of Argentina or Uruguay is of good quality, and many *believe could be* successfully marketed in Europe.

Like other outlying regions of Bolivia, the Beni has hardly yet been used, let alone integrated into the rest of the country. Farmers who can afford it have to buy their own facilities. Trinidad has only a small cold store. *Carlos Schenstrom plans* to buy me for his ranch, and he is shortly going off to the U.S. in search of an aeroplane to transport his beef.

D.W.

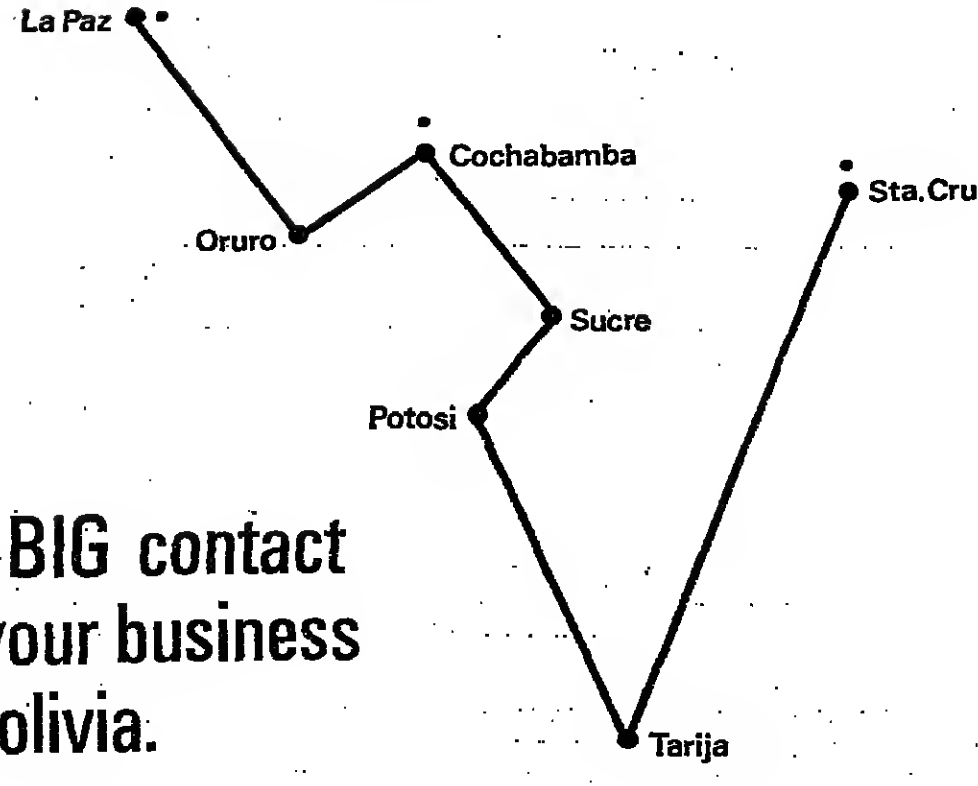
Church

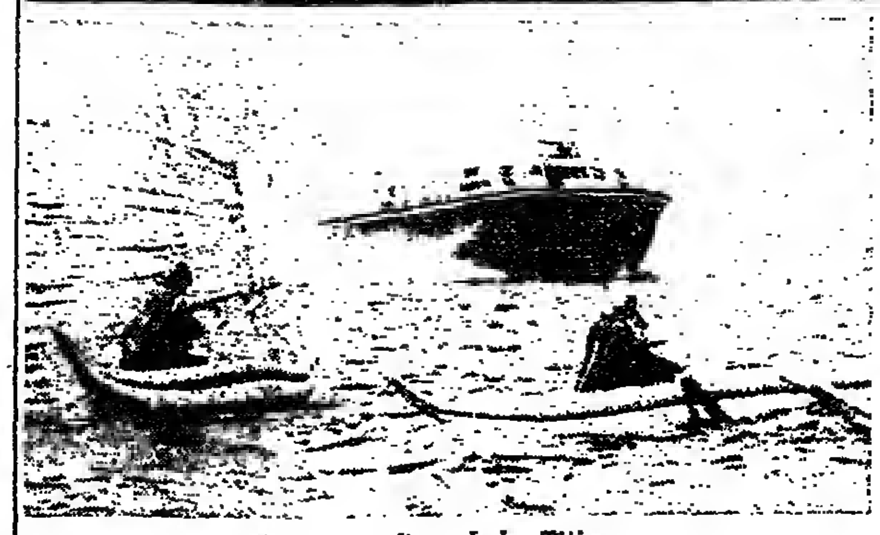
CONTINUED FROM PREVIOUS PAGE

hat a drive on what it considers "the troublemakers" in he Church would bring more rouble than it would be worth. The authorities usually seek to eed out and isolate their pponents in the Church by ore stealthy means, usually ith the tacit agreement of the eaders of the hierarchy. At the ame time the Government eeks to promote within the hurch the careers of those riests who are known to favour . In this task it is often helped the Papal Nuncio, Mgr. aiguelia, like his colleagues in rgentina and Chile a person conservative disposition. The majority of Bolivia's bishops are themselves conservatives who are not always in agreement with the Archbishop of La Paz or the few other radicals in the hierarchy, such as Mgr. Jesús López de Lama, Bishop of Corocoro, a mining centre. Many of them, too, suffer from being foreign born and thus subject to criticism for being outside meddlers.

Economic interests, too, tend to bind the Church's hands in that the bishops receive a small monthly stipend from the Government, and Church-controlled enterprises, such as the La Paz daily Presencia, often enjoy privileges with tax and import duties. The Church has big land and property holdings which might be at risk in any clash with the Government. A number of Church leaders are still wholeheartedly supporters of the Government, despite the various frictions, and they make no secret of their convictions. But in a confused and contradictory situation one thing has emerged: that in contrast to much of the history of the recent past the Catholic Church in Bolivia and the Protestant Churches cannot always be relied on to support the Establishment.

H.O'S.





A hovercraft on Lake Titicaca.

The Valley of the Moon outside La Paz.

For the tourist Bolivia has all the attractions but so far few of the facilities. Only during the past year or two has the tourist industry woken up to the possibilities and begun to develop the country's enormous potential.

Undeveloped tourism

BOLIVIANS like to tell you that El Alto is the only airport in the world where you have to fly up to touch down, and fly downwards to gain altitude. But at over 13,000 feet, you need no telling. Flying across the Altiplano of the Andes, with your eyes filled with its endless white light and your lungs shrivelling in the thin air, you feel like a dreamer arriving in Xanadu or the Rider Haggard hero storming the impregnable mountain fortress.

Getting to Bolivia requires a lot of money or alternatively a lot of time, so the sense of individual achievement is strong and heady—even for the lucky travellers that do not suffer from temporary altitude sickness. The influx of visitors has nevertheless increased by 19 per cent. every year since 1969, but the total is still so small that it accounts for less than 1 per cent. of Latin American tourism.

You are rewarded for your trouble by the unreal feeling of the Altiplano, intensifying as you walk through the vast bronze fresco copied from pre-Incan Tiahuanaco on the airport building. Almost all days are clear ones here. The folds and glints of the snow on Mount Illimani are as clean as a Hokusai print. Your taxi freewheels downwards into the cup that cradles La Paz, past the adobe houses of the Aymare Indians that make up half the *population of the city*. "The women measure their wealth in the number of petticoats they wear—velvet, watered satin or sprigged cotton, covered by a checked apron of many pockets and a striped shawl to carry the baby.

Further down you pass through Manco Kapac Street and the honeycomb of street markets that make up the *mercado negro*. The lower end of the tourist spectrum drops off here, in search of a $2 hotel near the markets that sell alpaca ponchos, silver articulated fishes and Indian flutes. Off the Calle Max Paredes you can even buy *llama foetuses*, to be burnt for a house-warming ceremony, or hate-options.

The rich tourists plunge on down past the bulky church of San Francisco into the main artery, known as *El Prado*. Here they will spend $25 or more a night in one of the existing seven deluxe hotels—plus a 13 per cent. service charge and 14 per cent. tax. They can take luxury bus trips to Lake Titicaca, Copacabana and Tiahuanaco. They can fly to Cochabamba, a town in a *sunny* valley twenty minutes away by air, with a series of delicate, colonnaded town squares. They can visit the ghostly colonial grace of Potosi, the ancient silvermine of the Spaniards, and the official capital of Sucre. They can descend still further *to see the tropical boomtown of* Santa Cruz or fly north to the Brazilian border and see game in the jungle province of Beni.

Variety

Poor tourists can immerse themselves in the variety of landscapes too. But for them the transition from Andes to Amazonian basin will mean long, cheap, uncomfortable bus rides—or decent train journeys, if you book a week ahead. You can travel by river-boat from Todos Santos to Trinidad on the River Mamore. You can also enter Bolivia by one of the ancient boats on Lake Titicaca. They are interestingly Edwardian, with ample seats for bustles and a portrait of the Prince of Wales in 1912 in the dining-room.

But they are a world away from the expensive *aliscafo* that also follows the lake route of Cuzco-Puno-Guaqui-La Paz route in comfort and organisation. Inevitably the division between *rich* and poor travellers remains, here as in the rest of *Latin America. But the recent* increase seems largely due to the number of *rugged* individualists who want to get as far as they can on as little as they can, and the increase is marked. Over 132,000 visitors came in 1975, compared with a mere 28,661 in 1959.

* * *

"In the old days the visitors were rich but very few," sighed Mario Portanda, who has been in the travel business for over *12 years*. He *typifies* the old-time agency, run by one man and a girl in the brow of one of the bigger hotels. "And now there are many—but they are poor and spend nothing!"

But like the other 29 members of ABAVIT, the Bolivian travel agency organisation, Sr. Portanda is putting all his hopes into the four de-luxe class hotels nearing completion in central *La* Paz. The Eldorado is the first and cheapest, with 80 rooms at around $27 apiece, opposite the *university. Though he still* feels hampered by a lack of good hotels in popular Potosi and Trinidad, and feels that the Bolivian Institute of Tourism could do more promoting in Europe, Australia and the U.S., Sr. Portanda is pleased that the railways are being modernised and that Sucre and Trinidad have just been given new airstrips. He is an uncritical kind of man.

Not so easily pleased is Hortensia Romero de Valleton, graduate of the Chicago Travel Agency Institute. She began Turiamo Balsa at the age of 19 and now has 25 guides after eight years. "When I began the Government had no interest in tourism. Only politics, politics, *politics! They didn't want* tourists, the country was politically unstable, tourists flew over us from Lima to Brazil—and they still do."

Señora de Valleton concedes that things are beginning to improve in the travel business since the Government passed its *tourism* bill three years ago, bringing into existence the Instituto Boliviano del Tourism. She also believes that the four new hotels—Sheraton, Eldorado, Gloria and Holiday Inn—will force down the prices of some of the older, expensive hotels.

"But we still have all the attractions and none of the facilities. Cars are extremely expensive to hire because the roads are so rough and the cars keep breaking down. This is the only Latin American country where the Pan American highway is so bad that you have to eat dust all day and tourists are *just* afraid *to* go outside the city because of this. When a tourist asks me for a middle-range $9 hotel and I say, sorry; when they want to go to Potosi and I have to say sorry, there are only two planes a week and the flight is cancelled and the trains are booked till next week—well, they get mad at me and they begin to ask them*selves why they* ever *came* to this country!"

In her opinion the happiest Bolivian tourists are the kids who arrive here after a long and painful odyssey on the buses. It has the prestige of being almost harder to get to than Nepal, and can hardly be outstripped in exotic cachet. They spend two days looking round La Paz for ponchos and charangos, the stringed instruments made from armadillo shells, and they drink mate de coca and chew leaves like the Aymare and are perfectly happy. But the demand is still there at the other end of the spectrum. People have already booked for the bronze-trimmed 350-room Sheraton that pokes its unfinished bulk on Avenida Arce among the other tower blocks, at around $35 for a double room.

Her husband is a Swiss hotelier, Jean-Jacques de Valleton, who arrived to help manage the Sucre Palace Hotel five years ago and is now managing the brand new Eldorado. He echoes the theme of all the travel agency people. "The Government has only just woken up to the possibilities during the last few years of political security." He believes one area of the greatest potential *is ski-ing. The ski lodge* in Chacaltaya was burnt down last year. But if Brazilians are prepared to fly to Bariloche in Patagonia, argues Sr. de Valleton, why not here, once Chacaltaya gets the new hotel and restaurant that are rumoured to be on the way? And mountain climbing is already established. "Every*thing is possible here — only to* have the good ideas."

Official tourism is *still an* innovation, born in January 1973 with the Instituto Boliviano del Turismo. Before that it had been a scattered, minor duty of the Ministry for Commerce, where it existed at all. A small section. In the 1976 five year development plan was the first *attempt* at a *tourist policy* made by a Bolivian government.

"Tourism is such a new phenomenon," explained the *Executive Director, Juan Luzio,* "that *you* might *say* it was only *three years old,* and *we have* no real financial index or criteria to measure progress yet." What is certain is that hotels have brought in 45m. since 1973 and that visitors brought in a mere $2.5m. four years ago compared with $13.5m. last year — encouraging enough to make the government hope for 300,000 visitors bringing in $77m. as early as 1980.

A monolithic stone figure at Tiahuanaco by Lake Titicaca.

Strategy will be to connect Bolivia and its circuit to the tourist routes of surrounding countries, to open tourist offices for promotion abroad, and to establish training centres for hotel personnel, guides and administration according to the Five Year Plan.

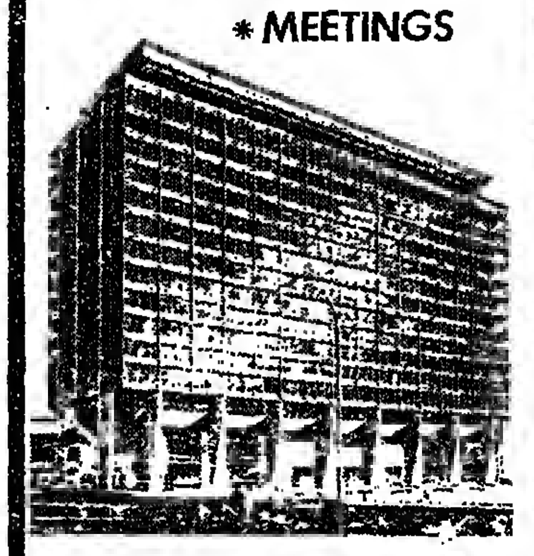
But Sr. Luzio admits there is much to be done before an inadequate infrastructure and lack of basic necessities can be overcome. Information centres are established in major Bolivian towns, while the centres abroad are planned. Sucre and Potosi have been *chosen for special development* of their colonial charms. In the past five years the number of first-class hotels in the country has quadrupled and there is a nascent charter flight business in summer for Germans who can fly here direct from Frankfurt.

Critics

Carlos Andrade of the leading La Paz daily, Presencia, is one of the sternest critics of Bolivian tourism. He feels the charter flights will never come to Bolivia in the enormous numbers of other countries. As a country, Bolivia *challenges the* adventurers among travellers—the ones that read about Tania the girl guerilla who fought with Che Guevara, or that saw "Butch" Cassidy and the Sundance Kid"—or that simply ran out of countries that nobody else had been to. Charter flights do not attract the adventurers.

Sr. Andrade knows that business is growing. Another definite indication is that the Conference for the Organisation of Tourism in Latin America is being held here for the first time in La Paz next May. The 1,500 *members will* discuss everything from the scarcity of hotels to how best to advertise the Oruro carnival. But it seems likely that Bolivia will retain its trump card for the visitor—its felicitous inaccessibility, the sheer unlikeliness of it—for some years to come.

E.C



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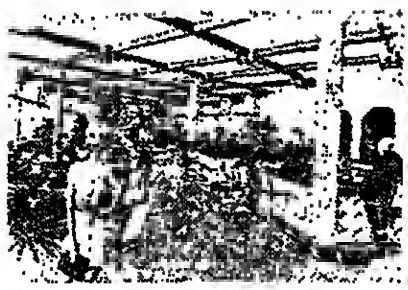
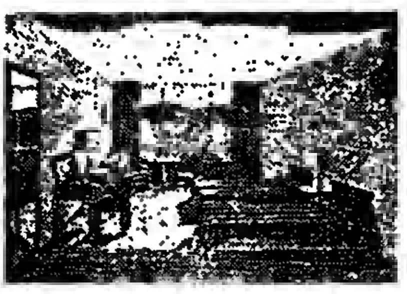


TIWANAKU RESTAURANT



TYPICAL GUEST ROOM

SOCIETY TO-DAY

BY JOE ROGALY

Big spending does not create equality

SPENDING LARGE quantities of money in a non-rational manner does not make society more equal. This is perhaps the most useful political conclusion to be drawn from the frustrating experience of the years 1961 to 1975, during which public expenditure, in "real" terms, nearly doubled—even though our gross domestic product rose by only 40 per cent.—and yet the amount of economic inequality remained about the same.

The depth of the failure is depressing. For 15 years, eight of them under Labour rule, successive Governments have taxed, and borrowed, and printed money, in increasing quantities in order to spend as much as possible on helping the less fortunate. The most positive thing that can be said about the result is that perhaps there is less poverty and inequality than there might have been without the fairly random distribution of all those billions—but that even this must be qualified by noting that at the end of the period growth came to a halt, with the consequence that everyone is now worse off.

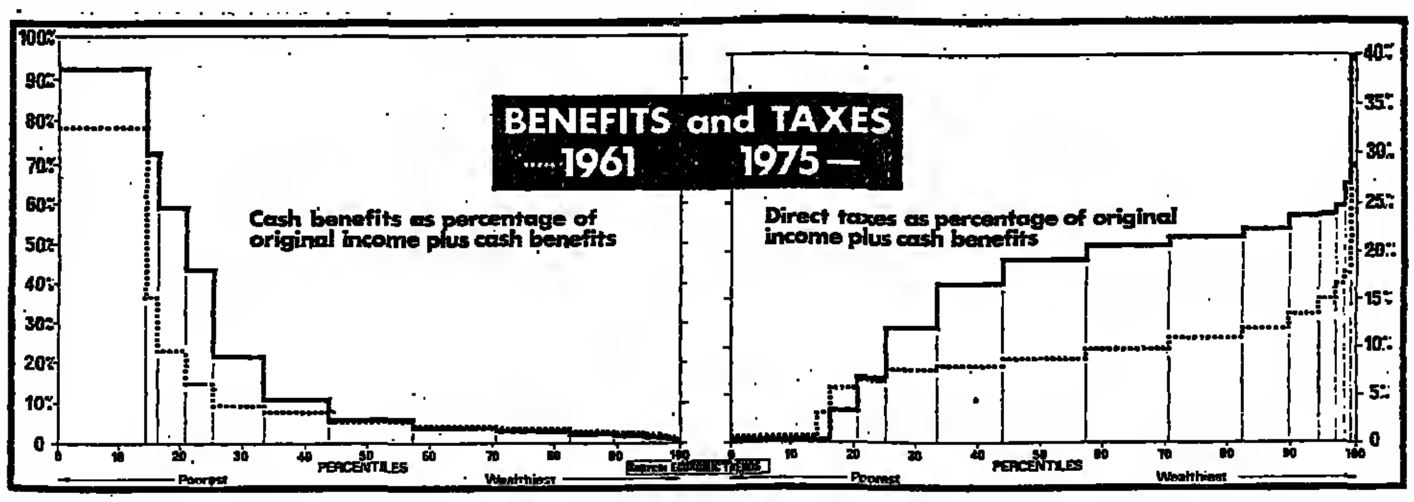
Future policy

We should all consider what this means for future policy. It does appear that for the moment the runaway expansion of public spending is being curbed, but it is not yet time to stop calling for further cuts, or to put aside the fundamental questions that must be asked about the utility of much of the spending that is thought by so many people to be desirable.

There are several reasons for this. The first is that we would be foolish to trust *them*—not any of them: not the senior civil servants, nor the Ministers in the Cabinet, and least of all the outside chorus of would-be big spenders. Some of those were laughing up their sleeves about the second year of IMF control even before last December's agreement was signed, saying "as soon as the oil money comes in we can tell them to go to hell," and I am sure that quite soon—after a spell of improving balance of payments and reserves figures—the talk will once again begin to turn to relaxations, restorations of cuts, a more liberal forward programme for the early 1980s, which we must soon begin to prepare for, the urgent need for a little more for this and some extra on that, and all the old familiar topics.

This danger would be reason enough for a hard spell of thinking about the lessons of the past generation now, but it is not the only reason. We can leave aside those socialists—many of them well-intentioned people with sincerely held beliefs—who believe in public spending as a magic means of creating an egalitarian society. If they are told that the magic does not work their predictable response will be that, yes it is true that nothing much has changed so far, but that the reason is that *not enough* was spent, and that the next time around there must be "massive redistribution." This view is unlikely to command a majority in Britain to-day.

What is likely to have the greatest popular support is something far easier to defend, even though it has come to seem just as difficult to arrange. It is the "social democrat" view — that Britain must be geared up to create wealth so that more of it can be spread around. Those of us who are better off have had such a sharp experience of the combined effect of incomes control, inflation, and high taxes over the past few years that we need to remind ourselves that most people, who earn less, have to make do with even less. This fact does not go away, however much middle and upper management may "suffer," and it is because of it that there is so much force behind the notion of a bias in the system, aimed at helping the worse off.



To my mind this is the right objective; the trouble is that if we look back on the old means of achieving it, taking this year's great pause as a convenient vantage-point, it is difficult to have faith in the proposition that a return to more of the same will do much good. It is not necessarily true that spending in itself is useless, although the evidence given by Dr. Wilfred Beckerman to the Royal Commission on the Distribution of Income and Wealth yesterday suggests that much of it may be, especially if it is regarded simply as a means of alleviating poverty.

What is more pressing, as a question for those who must make policies, is whether the manner in which the money has been spent has been particularly sensible.

One reason for putting it this way is to be found in an article in the latest issue of Economic Trends, in which R. Harris, of the Central Statistical Office, suggests that if you calculate the net effect of all taxes and benefits on "final income" the amount of inequality was about the same in 1975 as it had been in 1961.

It is true that all that Government taking-in and paying-out leaves a more equal distribution of "final income" than there is of "original income" before taxes and benefits. Even half way through the arithmetical stages used by Mr. Harris, when he is showing simply cash benefits as a percentage of original income plus cash benefits, it can be seen from the chart that more money is now going to the worse-off. Many of these will be pensioners, but one must question a system in which, as the graph-lines indicate, upwards of 40 per cent. of households depend to a significant and increasing extent on the social security payments.

The right-hand chart shows how the added cost, in direct taxation, has hit everyone except the poorest quarter of the population. To this extent the big-spending years have been redistributive—but in spite of billions of pounds of increases in the totals spent the overall pattern has not changed much since the days of Supermac. If you take into account the increase in the number of pensioners and other changes in the composition of households any apparent trend towards more equality is almost completely ironed out.

Some of us may quarrel with the assumptions on which these calculations are based. Indirect taxes, such as VAT, are deducted before declaring "final income": if that had not been done the relative fall in the standard of living of the higher spenders might have looked different. At the same time amounts are added on for benefits in kind—mainly health and education — which really reflect the spending on those services without telling us much about the efficiency of that spending or the real benefit to be derived from it.

You can get slightly different figures by changing the assumptions, and grist can be found for those who both feel and bemoan the fall in the standard of living of the higher income groups, but the general story remains much the same. Mr. Harris has used standard forms of analysis of the Family Expenditure Survey data collected in much the same way over the whole period; his figures must be taken as sound. They are not all that much out of line with what would be shown by a theoretical analysis of tax rates and benefits for a hypothetical family.

One such exercise, taking the period May, 1970, to August, 1976, does show above-average increases in incomes after taxes, benefits, and rebates of married couples (with or without children) on half average earnings or less—but for the rest, the average increase in the standard of living over those years was theoretically less than 1 per cent.; it is now probably falling. In those years poor "take up" of some means-tested benefits meant that some people were living on less than the most they could hypothetically get; the prospect for the possibly leaner years ahead is not encouraging.

For as Mr. Harris puts it, "the increases in the amount redistributed in the form of transfer payments to those households with relatively low original incomes has compensated for the increasing number of such households, and has meant that the distribution of income after all the different taxes and benefits have been taken into account, has not shown any great change between 1961 and 1975." If that is the effect of the policies of the profligate years, the years ahead could be even more difficult to manage.

We all know the principal reason why. Taxation as a means of raising money has peaked out: its politically acceptable limits have been reached and surpassed, with the possible exception of some leeway in indirect taxes. Much of the finance for the spending since 1971 has been borrowed; that, too, has been rumbled. The only remaining option is a change in the way the existing amounts, or lesser quantities, are spent—for ameliorating poverty cannot be abandoned as a goal and it would be both foolish and impolitic to adopt greater inequality as a positive objective of policy.

Ah yes, but what changes? As I have said before, the answers can only be found by a fresh start, beginning with the first principles: a new Beveridge Report is required. The old one was written when all the talk was of postwar reconstruction and the rational man could be expected to base proposals on a measure of hope that the future would be an improvement on the immediate past. This hope is not so easy to sustain nowadays, and it could be that a modern Beveridge might decide to start with the assumption that getting Britain richer cannot be taken for granted.

Dependants

From that a very great deal might flow, including the uncomfortable conclusion that in years to come the higher earners will have to contribute as much as they do to-day and more if it can be extracted from them—while the standard of assistance to the growing number of dependants might even so continue to fall. Or, more hopefully, ways might be designed of reducing the number of dependants by providing incentives for more of them to work. Simplification of our system of social benefits might be proposed, or we might turn from tax-based to insurance-based payments. Most unpalatable of all, the new Beveridge might discover that there is no known route from here to a society whose balance of economic equalities is acceptable to enough people to keep it stable, in which case a lot more than the present Beveridge-based system might eventually be torn up.

Letters to the Editor

Composition of the boardroom

From Miss N. Fishman.

Sir, — Your leader on the Bullock Report (January 27) and much of your published correspondence have been concerned to make a case against the report, but so far they have failed to answer its main contention. Few have refuted the report's view that shareholders are a passive power, usually guided by the full-time executive directors. Opposition to the report has been based on the belief that a managerial oligarchy is necessary — the implication being that anarchy would result if democracy found its way into the Boardroom.

Such a belief in the necessity of managerial oligarchy may be in tune with some British traditions — but it does not accord with the successful post-war experience of co-determination in Germany. The recent reform in Germany extending co-determination brings the German system near to the 2x+y formula advocated by the report. It would seem that German industrialists are not worried by this extension; there has been no news of implacable opposition or threatened non-co-operation. Could it be that successful German managements *know* they have little to fear from making their workforce privy to decision making because German management decisions are scientific, rational and based on information. I fail to see why any oligarchic management should be worried by making workers partly responsible for decisions unless it fears exposure or unless it believes that workers are inferior beings. The report's argument has not been met squarely.

The opposition to the report's plan for election of worker directors through trade union machinery is either sheer prejudice or ignorance of the conditions for the effective operation of democracy. Parliamentary democracy to-day does not debar political parties from taking part in elections because they are special-interest groups whose avowed aim is furthering the goals of those who vote for and support them. Indeed, Parliamentary democracy allows such partisan groups to form Governments and to rule over the land. Without such organised special-interest groups, democracy would quickly degenerate into anarchy. What then is more logical than to base industrial democracy upon the fundamental interest *groups of workers—trade* unions? German unions were too weak to force the modification of post-war co-determination legislation along the lines of the Bullock report, which they in fact desired. German management, however, has become accustomed to trade union nominees winning elections to Boards in the vast majority of cases. German workers have used their effective interest groups to represent them on Boards. Why should British trade unions not have the legal right to what is *de facto* practice elsewhere?

Nina Fishman.
138, Lordship Road, N.16.

Complacent messages

From Mr. D. Jenkins

Sir,—Although the arguments of your preponderantly anti-Bullock correspondents were predictable, they still make depressing reading.

Their message is one of smug complacency about the current situation. Perhaps they should talk to some of our European critics who have, I submit, a more realistic picture of the state of our industry: a scene of decay, long bag-ridden by an antique class structure reflected in the destructive attitudes it has bred. Let no stranger to the industrial scene be taken in by a glossy PR image of British industry run by a whizz kid meritocracy replete with executive skills.

Yes, there are companies that are well managed. There are a multitude that are not. In general middle managers have little for which to thank their employers, for their interests have been shamefully neglected by their managerial seniors.

Nothing can alter the fact that as things stand, top management is in practice responsible to no one. Shareholder control is a moth-eaten myth. The only practical constraint on top management's power is that of organised employees. Yet, with so much power, British industrialists, generally speaking, have failed, though nobody could fault their productivity in the manufacture of alibis. The plain fact is that the existing system has proved to be a recipe for near-disaster. The Bullock proposals offer an imaginative and constructive approach to improvement. We could scarcely do worse.

David Jenkins.
Chantrey House, Landford Road, Putney, S.W.15.

Finance market in Chile

From the Charge d'Affaires, Chilean Embassy.

Sir,—On January 19 and 21 your newspaper printed two reports by your Santiago correspondent on the problems of some investment companies and a commercial bank, all of them in the private sector. In order to have a clear idea of the situation and of its real importance it is necessary to give account of some of the facts.

In the field of finance societies, the institutions involved—Financiera Regional, Financiera Manuel Rodriquez and Co-operative La Familia—represent only a small segment of the Chilean finance market, which, to a very large extent, has continued its functions in a normal way. It must be noted that on September 10, 1976, according to information provided by the Superintendencia de Companias de Seguros, Sociedades Anonimes y Bolsos de Comercio, Financiera Regional's capital and reserves amounted to only Pesos 1.5m. (approximately £75,000) which placed the company 26th and last in a list prepared by the Superintendencia, and which does not include the banking sector.

With regard to Financiera Manuel Rodriguez and the Cooperativa La Familia—which do not appear in the list mentioned above—these were also very small organisations whose influence in the Chilean finance market was minimal. In order to have a true picture of the size of this market it must be noted that the three finance societies that head it—Nacional Financiera, Financiera Malon and Colocadora Nacional de Valores—had at the same date capital and reserves which amounted to Pesos28.6m., Pesos 18m. and Pesos17.6m. respectively.

With reference to the only bank that appears to be in a difficult position—Banco Osorno y La Union—it should be noted that it has not been declared bankrupt, that it has renewed its operations under a new Board of directors and that it is in no way the largest private banking institution in the country. It is far surpassed by other banks such as the Banco de Chile and the Banco Sudamericano. It should also be taken into consideration that the activity which the private capital market represents has acquired its development only under the present Government.

Previous lack of experience, however, in complex and highly specialised matters such as these brought about the participation of individuals and entities who—acting at times without the necessary economic support or, at others in a careless and even fraudulent manner—found themselves in indefensible situations. This called for quick Government action in order to protect the finance system and guard the interests of the depositors, especially the more modest ones.

The Government has established new requisites for the formation of finance societies which, in future, will only be able to operate with a minimum capital amounting to 75 per cent. of that required for a commercial bank in Santiago and which will have to be paid up before the authorisation to function is granted. With regard to the societies at present in operation, these will have to comply with this minimum capital requirement within two years and in any case they will have to have a minimum capital equivalent to 50 per cent. of the amount required for a commercial bank in Santiago.

On the other hand the institutions that are legally authorised to act as financial intermediaries are subject to precise norms that apply to the nature of commercial documents, accounting controls etc.

From all this, it can be clearly understood that under no circumstances is the nature of the economic model applied by the Government under judgment, but that the problems which have arisen have been due exclusively to certain legal vacuums or omissions that allowed the development of a situation which has now been corrected.

On the other hand, the present economic policy could not be seriously attacked if the results that it has brought about were duly considered. It has resulted in an enormous increase in non-traditional exports, in a great improvement in the balance of payments, the lessening of the external debt in real terms, the gradual but sustained economic revival which has been obtained despite the fall in the price of copper due to world recession, reduction in unemployment, etc. These achievements have been recognised by institutions such as the International Reconstruction and Development Bank, the International Monetary Fund, and the Inter American Development Bank.

Jorge Berguno.
Chilean Embassy.
12, Devonshire Street, W.1.

Effects of EEC membership

From Sir Peter Kirk, MP.

Sir,—If we are about to enter the season for assessments of the effect of Community membership on the United Kingdom, then let us be clear that a simple description of the geographical distribution of the United Kingdom's visible trade balance since 1970 (Douglas Jay's article, January 27) is of little value.

A proper assessment would analyse the overall effects on the U.K.'s balance of payments and on its results, using for comparison the "alternative position" that would have obtained had the U.K. not joined the Community. This "alternative position" would still have to incorporate rocketing oil prices, a severe world recession and a massive rise in U.K. public sector borrowing.

All assessments made before U.K. entry (and therefore before the oil price increase) indicated that there would be a balance of payments cost to the U.K. in the short run, but against this should be set the benefits of entry. But how does one measure the benefits from, for example, being in a Community with old enemies, or from the joint Community stand in the Helsinki Conference? The fact that some benefits are not quantifiable does not mean that they are of no significance.

(Sir) Peter Kirk.
House of Commons, S.W.1.

Low-priced food

From Mr. G. McBroom.

Sir,—Mr. Legg (February 3) says "a transfer of British demand for food from the EEC *to other markets at lower prices* would expand demand and contract supply in Britain." I do not follow his reasoning.

If, for my £1,000, I buy 75 tons of "food" from non-EEC sources instead of 50 tons of "food" from the EEC, I have not reduced the U.K. "food" supplies. I have, in fact, increased the supply and at no extra cost to total trade balances. Furthermore, I am now able to meet an expanded demand from the U.K. consumer and at lower prices.

Gilbert McBroom.
130, Bebington Road,
Rock Ferry,
Birkenhead, Cheshire.

Motor accident taxation

From Mr. J. Crowley.

Sir,—I am surprised that Joe Rogaly (February 1) should consider the concept of an additional "tax" to meet the cost of motor accidents to be sound. May I suggest that the proposal is neither logical nor politically consistent. Either the benefits of the welfare state should be "free" or we should work towards the concept of individual contribution, with appropriate safeguards, to meet the cost of every service received.

The political "ping pong" game of individual contribution, that is, milk, dental or prescription charges, is nothing more than playing with public expenditure or securing cheap votes. I cannot think of a comparable example in which a specific sector of the public, in this case vehicle owners, are singled out for taxation when they are only loosely associated with the blame for any costs which may arise.

While it is a truism that without vehicles there would be no motor accidents, the beneficiaries of the additional tax would often be people who had not contributed but were possibly at fault, that is pedestrians and cyclists. Equally vehicle passengers, almost invariably blameless, would also benefit. The whole illogical burden falling once again on the unfortunate owner who may not even be the driver!

Once again we seem to be playing with the welfare state rather than getting down to *fundamental principals*. I remain convinced of the need for positive identification of the individual with every aspect of services received; this will generate a greater sense of responsibility and increase self-respect. There are numerous ways of protecting those who are genuinely unable to participate.

J. M. Crowley.
Glenshee, Maresfield Park,
Uckfield, Sussex.

To-day's Events

EEC Foreign Ministers meet, Brussels.

European Central Bankers end two-day meeting, Basle.

Organisation for Economic Cooperation and Development begins two-day meeting, Paris, at which further discussions will be held with Japan on its share of world shipbuilding.

CBI Industrial Trends Survey for January published.

Mr. Anthony Wedgwood Benn, Energy Secretary, scheduled to meet Japanese negotiators to discuss proposed contract under which British Nuclear Fuels and its French counterpart, Cogema, would process spent nuclear fuel from Japan.

European airlines meet in Cannes on possibility of dropping sterling as a base-currency for calculating fares.

Financial Times two-day World Banking conference opens, London Hilton, W.1. Mr. Harold Lever, Chancellor, Duchy of Lancaster, is guest speaker at first-day conference lunch.

Stock Exchange Council considers progress of Talisman computerised share settlement project.

Dr. Kurt Waldheim, UN Secretary-General, continues Middle East tour.

Lord Carrington, Opposition leader in House of Lords, continues tour of Southern Africa.

London Chamber of Commerce and Industry mission to Libya leaves.

Sir Derek Ezra, chairman, National Coal Board, speaks on "Patriotism," St. Lawrence Jewry next Guildhall, E.C.2, 1.15 p.m.

Sir Robin Gillett, Lord Mayor of London, attends Leathersellers' Company dinner, Leathersellers' Hall, E.C.3.

PARLIAMENTARY BUSINESS

House of Commons: Nuclear Industry (Finance) Bill, second reading. Motions on Lotteries Regulations.

House of Lords: Statute Law (Repeals) (HL) Bill, Divorce Reform (Northern Ireland) Bill and Detonators Bill (HL), second readings. Marriage (Scotland) Bill, report stage.

Select Committee: Nationalised Industries (sub-committee A). Subject: British Rail. Witnesses: British Railways Board (4 p.m., Room 8).

OFFICIAL STATISTICS

Vehicle production and estimates of new car registrations (January, provisional).

COMPANY RESULTS

Decca (half-year). De La Rue (third quarter). Dowty Group (half-year). Imperial Group (full year).

COMPANY MEETING

Duple International, Lytham, Lancs., 12.

SPORT

Squash: British amateur closed championships, Wimbledon (6.30 p.m.). Snooker: Benson and Hedges tournament, New London Theatre, W.C.2 (2 p.m.-7.30 p.m.).

COMPANY NEWS + COMMENT

Second half boosts Securicor to £3.51m.

INDEX TO COMPANY HIGHLIGHTS

Company	Page	Col.	Company	Page	Col.
Bank Bridge	33	3	Jaycee Furniture	33	2
Barr (A. G.)	32	3	Leigh Mills	32	3
Blackman & Conrad	32	5	Malaysia Rubber	32	6
Belhaven Brewery	32	4	Olympia (Redacre)	32	6
Dunbar	33	1	Salvador Railway	33	3
Edinburgh Industrial	32	2	Securicor Group	32	1
Fluidrive Engineering	33	1	Sommerville (Wm.)	33	4
Hume Holdings	33	4	Vibroplant Hldgs.	32	4

AS FORECAST, second half pre-tax profit of Securicor Group showed continued growth, from £1.49m. to £1.95m. For the 53 weeks to October 1, 1976 the figure was a record £3.51m., compared with £2.76m. in the previous 52 weeks.

Mr. P. A. C. Smith, chairman, reports that the group appears to have made a satisfactory start to the current year but feels it unwise to make any firm predictions.

As predicted the dividend total is the maximum permitted 1.122145p (1.0201206p adjusted for scrip), with a final of 0.8567p per 25p share; stated earnings are 6.7p (5.7p).

Net assets at year-end are 20p per cent. ahead at £18.8m. and net current assets up 30 per cent. at £2m.

Mr. Smith says that of the 33 per cent. increase in group turnover to £81.81m. an average of around 10 per cent. only is attributable to price increasing.

The increase in general liquidity has also enabled some advantage to be taken of the recent high level of short-term interest rates. Pre-tax return on capital employed at £3.5m. on £18.8m. amounts to 18.8 per cent., as against 17.9 per cent. last year.

	53 weeks 1975-6 £000	52 weeks 1974-5 £000
Turnover	81,806	61,554
Profit before tax	3,505	2,755
Security div.	2,767	2,095
Finance div.	738	660
Taxation	2,106	1,550
Net profit	1,399	1,205
Outside holders	565	488
Extraord. debits	—	10
Dividends	145	136
Retained	689	531
To reserves	—	39

Mr. P. Smith said the high tax charge during the year reflected some losses within the European operations but these were in line with expectations.

Over the longer-term Securicor was looking for "substantial growth" in Europe.

A possible move to take the group into the Middle East could also be on the cards. "We are interested in the Middle East and there are a number of possible projects at an early stage of negotiation."

Ideally the group would be looking to establish an interest with a local partner. This would not involve a big cash outlay. "What we've got to offer is know-how," said the chairman.

For the 52.05 per cent.-owned subsidiary, Security Services, pre-tax profit for the period was £3.02m.—also a record—compared with £2.34m., after being down from £1.15m. to £1.08m. at halfway.

	51 weeks 1975-6 £000	52 weeks 1974-5 £000
Turnover	79,261	61,227
Profit before tax	3,017	2,336
Security div.	2,767	2,095
Finance div	250	241
Taxation	1,845	1,328
Net profit	1,172	1,008
Outside holders	2	7
Extaord debits	—	19
Dividends	273	251
Retained	896	731
To reserves	—	76

Stated earnings per share for the year were 7.6p (6.5p adjusted for the scrip) and a final dividend of 1.1833p net lifts the total from 1.618621p to 1.780518p.

● comment

Adjusting for the extra week Securicor Group's preliminary profits are 25 per cent. up on last year and turnover is 31 per cent ahead. *Profits of the* security side have risen in line with turnover and the finance side has chipped in an extra £0.1m. of which a quarter is accounted for by the newly-acquired Ford dealership. The one worrying feature is the increased tax charge which currently amounts to 60 per cent. of profits against an average figure of under 45 per cent. in the early 1970s. This reflects mainly *losses* on the *recently* established European operations. But Securicor is hopeful that these will soon be eliminated and that the overseas side—presently contributing just under a fifth of security profits—will spearhead future growth. On the domestic side the Special Delivery Service continues to grow in importance and now accounts for 26 per cent. of turnover. On present form Securicor group profits in *the* current year should comfortably exceed £4m. and sales top £100m. but a prospective yield of 3.2 per cent. at 58p is a *limiting factor.*

New Board at Edinburgh Industrial

After much restructuring, mutually agreed between the old and new managements, a Board reorganisation has taken place at Edinburgh Industrial Holdings.

Mr. J. Bizley, the chairman, and non-executive directors Mr. F. Shasha and Mr. G. Elias, have resigned. Mr. J. Abbott has resigned as managing director and the new joint managing directors are Mr. C. de Naray and Mr C. Aleman.

Mr. Abbott continues with the Board as operations director and Mr. A. L. Anish has been appointed financial director. This leaves a five-man Board of four executive directors and one non-executive member, Mr. W. H. Bishop.

At present, the post of chairman will remain vacant.

The new Board says it intends to build upon the marked improvement in the group's position.

A new subsidiary, EIH Marketing, has been formed to promote home sales and as a first step towards an export drive the company is participating at the British Industrial Trade Exhibition in Caracas, Venezuela, in March.

The Board will be forwarding a circular to shareholders within the next few weeks with *full* details of the new plans and of a proposed share placing.

Increased sales at A. G. Barr

IN HIS annual statement, Mr. Robert Barr, the chairman of soft drinks group A. G. Barr and Co., says that sales to date in the current financial year show a reasonable increase over comparable figures last year, although the recent severe weather conditions have posed abnormal distribution problems as well as affecting consumer demand.

The group made a second pre-tax profit of £2.15m. (£1.13m.) in the year to October 31, 1976, and paid dividends totalling 5.7858p (5.2597p) from earnings of 57.24p (28.01p) per 25p share (as reported on January 14).

Leigh Mills trebled at midway

On turnover steady at £1,378,411 against £1,383,877, pre-tax profit of Yorkshire-based worsted manufacturers The Leigh Mills Company more than trebled from £24,760 to £89,221 in the six months to October 31, 1976. Profit for the whole of last year was £47,367.

Mr. Ernest Hall, the chairman, says that trading conditions improved during the first half and he anticipates a further improvement in the second half.

Vibroplant off £0.05m. halfway

FIRST *half* turnover of plant hire specialists, Vibroplant Holdings, improved from £2.83m. to £3.08m. but profit was down from £0.91m. to £0.86m. subject to *tax of* £0.45m., compared with £0.48m.

For the full year ended March 31, 1976, turnover was £5.63m. and profit a record £1.76m. In August the directors warned of a difficult year. However, they were confident that the company would continue to prosper.

The net interim dividend is held at 3.575p, absorbing £128,700 against £107,250 after waivers. Last year's total was 8.1p.

● comment

Vibroplant appears to be playing its cards a little close to its chest. It will not quantify the profits of Airpac Rentals, the 18-month-old subsidiary which now appears to be making a substantial contribution. This has enabled the group to hold its interim profits fall to just 5 per cent. pre-tax, offsetting an acute depression on the plant hire side. Airpac which rents compressors to industry in general, and the oil sector *in particular,* is continuing to expand in the current six months, while the plant hire side, which must be largely dependent on the public sector, is showing no signs of revival. Comparison with a more depressed period should allow the group to halt the downtrend in the second half but until more information is forthcoming about what is clearly the group's only growth area at present, the market is unlikely to take any chances on the shares. At 94p they are yielding a *suitably* cautious 15½ per cent.

Belhaven Brewery

A *50 per cent.* increase in production capacity by 1979 is planned by real ale producer. Belhaven Brewery, a subsidiary of *CCH Investments,* it is announced.

Sales increased by 43 per cent. in 1976 and are continuing to boom *in* 1977, the directors *say.* Finance will come from profits allied to the sale of low-yielding properties and the conversion of existing short-term loans into medium-term finance.

The brewery expansion marks the final phase in the reorganisation of the activities of CCH Investments.

Freddie Mansfield

Mr. John Pile, chairman of Imperial Group, which is to-day due to announce preliminary results for the year ended October 31, 1976.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Edin. Inv. Tst. 2nd. int.	3.1	—	2.7	5.55	4.95
Int. Trust of Jersey	2.0	Apr. 1	1.75*	3.5	3.0*
Malaysia Rubber ... int.	0.2	—	0.18	—	0.83
Olympia (Redacre)	1.4	Apr. 28	1.2	1.4	1.2
Securicor	0.86	—	0.78	1.12	1.02*
Security Services	1.18	—	1.08	1.78	1.62*
W. Sommerville Son int.	0.5	—	0.5	—	1
U.C. Investments	20‡	Mar. 24	25	30	36
Vibroplant ... int.	3.58	Mar. 7	3.58	—	8.1
W. Canada Invst. int.	4	Mar. 14	3	—	13

Dividends shown pence per share net except where otherwise stated.
*Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ South African cents.

Blackman & Conrad slows in latter half

A DECLINE in the second half from £309,000 to £260,000 left clothing manufacturers Blackman *and Conrad only £54,000* ahead at £670,000 for the year ended September 30, 1976. This compares with a £103,000 advance at halfway to £410,000.

Sales for the year improved to £11.15m. (£8.62m.). After tax of £356,000 (£347,793) net profit was higher at £314,000 (£263,906).

As previously announced the company has changed its financial year end to January 31. An interim dividend of 1.375p net per 20p share was paid on September 27, 1976. In 1974-75 the interim was equivalent to 1.25p after adjustment for a one-for-one scrip issue and a consolidation into 20p shares.

The results for the 16 months ended January 31, 1977, will be reported in due course together with the final dividend for the period. Last year payments totalled an equivalent of 3.15p.

● comment

After a first half improvement of a third, the second half fall of 16 per cent. at Blackman Conrad is a disappointment. The increase in capacity announced last year has been followed by a 29 per cent. increase in turnover but the pre-tax margin has been cut from 7.2 to 6.0 per cent. in order to attract the new business. Expansion and modernisation in the face of the recession in textiles is brave indeed but at least the capital expenditure of over *£300,000 seems to have* been paid for mostly out of cash flow, reflecting a better control of working capital. The current year has started with bigger order books and margins could begin to recover. The liquidation of some competitors has improved market conditions somewhat and exports have been growing dramatically. Vertical integration has enabled the company to do well in difficult conditions, competing directly with Far Eastern textiles. The shares fell 3p to 37p yesterday where the maximum yield is 14.4 per cent.

International Trust Jersey

Stated earnings per £1 share at International Investment Trust of *Jersey* doubled from *3.8p* to 7.8p during 1976 and dividend total is being raised from 3p to 3.5p net, with a final of 2p.

Profit rose sharply from £38,377 to £77,612 after tax, up from £8,367 to £20,356.

There was a surplus of £32,861 on the sale of investments and an extra-ordinary debit of £99,563.

Malaysia Rubber steady

Net revenue of The Malaysia Rubber Company for the nine months to December 31, 1976, was £7,891 against £7,323, and dividends from associated companies totalled £8,153 (£7,425) gross. Tax took *£7,250 (£6,033).*

On stated earnings steady at 0.49p (0.48p), the interim dividend is lifted from 1.1787p to 0.1966p net per 10p share. Last year's total was 0.8258p from net profits of £33,863 (£18,430).

Net asset value per Ordinary share was 27.76p (22.94p).

The directors state that the figures exclude results of Kinta Kellas Rubber Estates and Dormal Investments for the periods concerned, except that dividends declared by Kinta Kellas to February 3, 1977 have been included. Last year's figures included full dividends for year.

Shareholders were advised on December 24, 1976 of further property transactions undertaken to that date. The company's half-share of the then estimated profit of Dormal Investments for the year ending March 31, 1977 was *£1,135 (loss £6,213). This estimated* profit was based on rentals then being received, but will now be increased by further lettings since made or in course of negotiation.

The company's outstanding loan to Dormal has been reduced by *£400* to *£78,600.*

Olympia Redacre

Taxable profit showed a £57,233 upturn to £160,216 at corduroy manufacturers, dyers and finishers Olympia (Redacre) for the year 1976. Sales were £0.32m. higher at £2.07m.

Stated earnings per 20p share improved to 3.94p (*3.39p*) and the dividend is lifted to 1.4p net (1.2p).

Tax took £81,406 (£55,192) leaving a net balance of £78,810 (£47,791).

ISSUE NEWS

FFI launches £50m. of 14% loan stock

BY MARGARET REID

A £50m. public issue of stock is being launched by Finance for Industry, the bank-backed concern which operates the £1bn. medium-term lending facility set up early in 1975 to channel funds to industrial companies and which also owns Industrial and Commercial Finance Corporation.

The issue, which is to fund short-term borrowings drawn on to finance fixed-interest lending, is the second loan stock to be brought since the £1bn. facility was established. The first, announced exactly two years earlier, was of £75m.

The present issue, of 14 per cent. unsecured loan stock, 1983, is priced at £99.50 for each £100, to give a yield to redemption of 14.12 per cent. The proceeds will be financing loans carrying fixed *interest* in the 15-15½ per cent. range, thus allowing FFI a certain margin.

The stock, for which lists will be open on Friday, with dealings due to start on February 14, is being launched after the recent sharp drop in levels of interest which has involved a reduction in the Bank of England's minimum lending rate from 15 per cent. to 12 per cent. over the past two and a-half months.

FFI is owned by the Bank of England and the big banks. The view in the market yesterday was that the issue is likely to be well received, particularly since the terms make the redemption yield more than 2 per cent. above that on the Treasury 12 per cent. 1983, the Government stock of most comparable date.

When FFI's first stock was about to be launched, there was some talk about certain institutions being possibly reluctant to back it. Such hesitation appears unlikely on the present occasion, particularly in view of the terms, the recent strong state of the Government bond market and the phasing of payments on the loan. Only £10 per £100 worth is payable on application, with another £30 due on March 14 and the final £59.50 not payable until May 3.

The prospectus confirms how much more slowly the £1bn. loan facility has been called on than was expected at the start of 1975 when it was predicted all to be required in about two years. At the end of 1976, £224m. had been lent by FFI's Finance Corporation for Industry subsidiary, which runs the scheme, to 37 companies while there were also commitments to advance a further £36m

Prospectus Pages 37 to 39
See Lex

Greyhound Securities wound-up

A London investment company, Greyhound Securities, was compulsorily wound up in the High Court yesterday with debts of more than £3m.

The petitioners were First National Finance Corporation, creditors for £3,119,637, supported by the Inland Revenue, claiming £3,091.

Orders for the compulsory winding up of 26 other companies were also made by Mr. Justice Oliver. They were:

Home Freeholds Company, Gretavale, Blanchard Brothers, Global Magazine Distributors, Tu wood Structural Mobile Abras Cleaning, Kalesley Property Con pany, A. R. Noble, Avaunt (Hea ing), Graham Cherry, M. K. Wel and Co., Andyjon, Ladeao Prope ties, Maroonistic, Jesse Holne Properties, John Ball Turf Accou tants (Ampthill), Blue Lal Motors, Sandwell Securities, Gar wood Refrigeration Compan Overton Builders, Leisure Co struction (Northampton), O. K bane and Son, North Lond Decorators, London and Coo nental Trailer Services, Capst Enterprises, and Marsden H International.

McCAIRNS MOTOR

The listing of McCairns Moto temporarily suspended on Janua 10, has been restored follow the issue of a circular February 3.

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Fluidrive Engineering sees further growth

In his annual statement Mr. David Donne, the chairman of Fluidrive Engineering Company, says that, given anything near normal trading conditions, he expects 1976-77 to be another record year. The company has already started the year with a record order book.

The group spent over £400,000 in capital expenditure during 1975-1976 and has committed a similar sum for the current year. In addition, development expenditure has been increased by 50 per cent. "In order to ensure that the long-term is safeguarded, the company has to have the best manufacturing equipment and be a leader in product development," states Mr. Donne.

To assist with the capital expenditure programme, Barclays Bank have granted a term loan of £500,000 secured on the company's freehold and leasehold properties. The loan is at rates of interest based on the London Inter-Bank Offered Rates: £225,000 has been drawn to September 30, 1976, and the balance will be drawn during 1977. Repayment will be over five years commencing during 1978.

As reported on January 27 in the year to September 30, 1976, pre-tax profits rose 35.5 per cent. to a record £787,000 on turnover, up 28 per cent. to nearly £6.3m. Direct exports totalled nearly £2.2m., with a further substantial amount going indirectly.

The major reorganisation within both factories to increase production capacity, and changes in the sales and marketing organisations have contributed greatly to the results, says Mr. Donne.

Meeting, Isleworth, on March 2.

Dunbar profit rises 25%

A rise of 25 per cent. in taxable profit to a record £177,990 is shown by bankers Dunbar and Co. for the year ended December 31, 1976.

Deposits, current and other accounts expanded 18 per cent. to £5.91m. and advances to customers and other accounts were up from £2.78m. to £3.08m.

Mr. Ronald B. Scotcher, the chairman, reports that the number and value of investment portfolios managed showed substantial growth during the year and fees for other financial services to both companies and individuals made a useful contribution to earnings.

After tax of £105,261 (£56,459), the net profit was lower at £72,729 (£86,230). Dividends took £33,525 (£23,467) leaving a retained profit of £39,204 (£62,763).

The increase in working capital was £66,738 (£81,056) represented by the following increases (in £s): Cash and money with banks and local authorities 154,177 (634,456); quoted investments 281,665 (7,530); advances to customers and other accounts 297,948 (833,815); property held for sale 180,000 (nil); unquoted investments nil (1,000) less deposit, current and other accounts excluding taxation and dividend 846,992 (1,395,745).

BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available whether dividends concerned are interims or finals and the sub-divisions shown below are based mainly on last year's timetable.

TO-DAY

Interims—Decca, Dowty, Meat Trade Suppliers, Steinberg, Stewart Plastics.

Finals—Crest Nicholson, Drayton Premier Investment Trust, Glass and Metal, Imperial Group, Mann and Overton.

FUTURE DATES

Interims—	
Kennedy Smale	Feb. 9
Ramar Textiles	Feb. 15
Wades Departmental Stores	Feb. 11
Finals—	
Berwick Timpo	Feb. 10
Commercial Union	Feb. 28
Delyn	Feb. 11
Edinburgh and Dundee Invest.	Feb. 16
General Consolidated Invest. Tst.*	Feb. 15
Stephen (John) of London	Feb. 9
Stockfis (Robert R.) (Manchester)	Feb. 16
Opdown Investments	Feb. 10

* Amended.

The bank is a close company and a wholly-owned subsidiary of Dunbar (Pall Mall).

Best ever £0.5m. by Jaycee

RECORD PRE-TAX profits of £561,603 are reported by Jaycee Furniture, Brighton, for the year ended September 30, 1976 and Dr. Clive Cohen, the chairman, expects a further volume-sales increase and a greater increase in profits for the current year.

Turnover rose by 10 per cent. to £6.57m., and exports were up 6.7 per cent. from £3.45m. to £3.68m.

Dr. Cohen regards the figures as particularly good in view of both sterling depreciation, which increased the cost of imported raw materials, and sluggish demand from most markets during the first eight months of the year.

In April, 1976, Jaycee bought out the 40 per cent. minority stake in its German marketing subsidiary. A new wholly-owned subsidiary, Jaycee Furniture Vertriebsgesellchaft, was formed at Erkrath, Dusseldorf, and the old company merged in to it.

Jaycee's German operations are now entirely under their own management control. As a result, further significant growth is expected in that market.

In June, 1976, plans for a new 80,000 sq. ft. factory at Eastbourne were finalised. This will be a finishing and distribution centre, permitting more production at other factories, says Dr. Cohen.

The company is privately held.

LESNEY PRODUCTS

Lesney Products and Co. is convening an extraordinary meeting on March 14 to consider proposals for the repayment of the outstanding £1m. nominal of 11 per cent. Debenture stock 1990-1995 at £90 per cent. together with interest accrued to the date of repayment.

Bank Bridge £199,000 so far

Overall pre-tax profit of Bank Bridge Group jumped from £35,000 to £199,000 in the half year to September 30, 1976—the company and its subsidiaries incurred a loss of £40,000 (£53,000) but the share of profits of associates improved from £104,000 to £239,000.

For the full year 1975-76 profit was £278,000.

Once again there is no interim dividend. The last payment was an 0.2p interim for 1974-75.

Discussions are continuing between the advisers to the company and David Dixon and Son (Holdings), concerning the settlement of the claim by David Dixon.

	Half year 1976 £000	1975 £000
Turnover	4,868	5,343
Pre-tax profit	199	35
Cos. & subsids. losses	40	33
Profits assoc.	239	104
Minorities	—	10
Tax	124	60
Net profit	75	†25

† Loss.

Salvador Railway

The chairman of the Salvador Railway Company says that at the AGM on December 16, 1976, when explaining the settlement with the Salvadorean Government he said it was doubtful whether the compensation would qualify as investment currency.

As a result of representations the Bank of England has allowed the compensation to be treated as investment currency.

The company's funds were consequently increased to a total of £208,400. Out of that sum the £14,478 Preferential debt to the Inland Revenue has been paid and the £48,100 5 per cent. prior lien debentures are being redeemed at par.

Subject to claims of creditors and costs of winding up, which cannot be ascertained with certainty until a liquidator has been appointed, the residue will then approximate £125,000 to be dividend: 80 per cent. to the 5 per cent. income loan stock holders and 20 per cent. to the consolidated stock holders in accordance with Scheme of Arrangement of 1959.

It is advisable that the Board should temporarily remain in office until completion of certain matters when notices regarding liquidation will be issued.

Earnings up at Hume Holdings

A MARGINAL decrease in taxable revenue from £890,647 to £882,398 is reported by Hume Holdings for the six months ended December 31, 1976, but lower tax of £328,922, against £423,890, left the net figure £86,719 higher at £553,476.

The directors say they are confident that the distributable revenue for the full year will fulfil the forecast of an increase over the previous year's £1.03m. At halfway the distributable profit was up at £548,496 (£463,388).

Stated earnings per 25p share were up at 2.92p (2.54p) or 2.82p (2.45p) fully diluted, and the interim dividend, as previously reported, is held at 0.975p net. Last year payments totalled 3.0875p.

Since December 31 the company has sold its shares in the two jointly owned property companies, Stephen Court and Harcourt House. The assets of the two companies consisted of two fully let office properties in Dublin and one in Cork. The net proceeds from the sale show a surplus of about £244,000. Because of substantial realised losses brought forward it is estimated that no U.K. Capital Gains Tax liability will arise and reinvestment of the proceeds will produce an appreciable increase in net revenue, say the directors.

Taking account of this surplus at February 3, 1977, the basic net asset value per share was about 69.2p, or 75.5p fully diluted, representing an improvement from the halfyear figures of 63p (60.8p), or 70.5p (66.8p) fully diluted.

	Half-year 1976-77 £	1975-76 £
Gross revenue	1,157,196	1,115,772
Franked divs.	221,192	157,358
Unfranked divs.	74,400	49,815
Interest	693,978	699,441
Property	117,652	113,429
Finance and trading	39,575	95,710
Management expenses	179,447	181,439
Interest	294,434	192,995
Share of associates	129,093	137,393
Pre-tax revenue	882,398	890,647
Taxation	328,922	423,890
Net revenue	553,476	466,757
Minorities	4,980	3,369
Preference divs.	122,150	122,150
Attributable	426,346	341,238

Sommerville back in profit

Paper makers William Sommerville and Son made a recovery from a £42,000 loss to a pre-tax profit of £44,000 for the half year ended November 30, 1976.

This followed a reduction of the deficit to £20,485 in the second half of 1975-76, and, say the directors, was achieved despite very uncertain trading conditions.

The interim dividend is held at 0.5p net per 25p share. Last year payments totalled 1p.

World Value of the Pound

The table below gives the latest available rates of exchange for the pound against various currencies on February 7, 1977. In some cases rates are nominal. Market rates are the average of buying and selling rates except where they are shown to be otherwise. In some cases market rates have been calculated from those of foreign currencies to which they are tied.

Exchange in the U.K. and most of the countries listed is officially controlled and the rates shown should not be taken as being applicable to any particular transaction without reference to an authorised dealer.

Abbreviations: (S) member of the sterling area other than Scheduled Territory; (k) Scheduled Territory; (o) official rate; (F) free rate; (T) tourist rate; (o.c.) non-commercial rate; (n.a.) not available; (A) approximate rate; no direct quotation available; (sg) selling rate; (bg) buying rate; (nom.) nominal; (ex/c) exchange certificate rate; (P) based on U.S. dollar parities and going sterling dollar rate; (Bk) bankers' rate; (Bas) basic rate; (cm) commercial rate; (cn) convertible rate; (fn) financial rate.

Sharp fluctuations have been seen lately in the foreign exchange market. Rates in the table below are not in all cases closing rates on the dates shown.

Place and Local Unit		Value of £ Sterling
Afars & Issas	Djibouti Franc	290(sg)
Afghanistan	Afghani	80 (A)
Albania	Lek	(T)10.10(A) (n/a)
Algeria	Dinar	7.07
Andorra	French Franc Spanish peseta	8.52¼ 118.25
Angola	Kwanza	n.a.
Antigua (S)	E. Caribbean	4.6291
Argentina	Ar. Peso Free Rate	588.34
Australia (S)	Australian $	1.57915
Austria	Schilling	28.45
Azores	Portug. Escudo	55.52½
Bahamas (S)	Ba. Dollar	1.7149
Bangladesh (S)	Taka	26.50(sg)
Bahrain (S)	Dinar	0.678
Balearic Is.	Spa. Peseta	118.25
Barbados (S)	Barbados $	3.4290
Belgium	B. Franc	(cm) 63.42½ (fm) 65.45
Belize	B$	3.4290
Benin	C.F.A. Franc	426½
Bermuda (S)	Bda. $	1.7145
Bhutan	Indian Rupee	15.13½(sg)
Bolivia	Bolivian Peso	34.5
Botswana (S)	Pula	1.491525
Brazil	Cruzeiro	21.52
Br. Virgin Is. (S)	U.S. $	1.7145
Brunei (S)	Brunei $	4.216
Bulgaria	Lev	1.6559
Burma	Kyat	11.55
Burundi	Burundi Franc	154.365
Cameroon Rp	C.F.A. Franc	426½
Canada	Canadian $	1.7525
Canary Is.	Spanish Peseta	118.25
Cape Verde I.	Cape V Escudo	55.52½
Cayman Is. (S)	Cay. I. $	1.4287
Cent. Af. Rp.	C.F.A. Franc	426½
Chad	C.F.A. Franc	426½
Chile	C. Peso	(Bk) 32.00
China	Renminbi Yuan	3.2509
Colombia	C. Peso	(F) 62.49
Comoros I'ds.	C.F.A. Franc	426½
Congo (B'ville)	C.F.A. Franc	426½
Costa Rica	Colon	14.749
Cuba	Cuban Peso	1.42219
Cyprus (S)	Cyprus £	0.7117
Czechoslovak	Koruna	(com) 9.70 (n/c) 18.70 (T) 18.36
Denmark	Danish Krone	10.16¾
Dominica (S)	E. Caribbean $	4.6291
Domin. Rep.	Dominican Peso	1.7145
Ecuador	Sucre	(O) 42.62 (F) 49.05
Egypt	Egyptian £	0.6842 (T) 1.1640
Ethiopia	Ethiopian Birr	(P) 3.5531
Eq'l Guinea	Peseta	118.25
Falkland Is. (S)	Falkland Is. £	1.0
Faro Is.	Danish Krone	10.16¾
Fiji Is. (S)	Fiji $	1.56510
Finland	Markka	6.57
France	French Franc	8.52¼
Fr. C'ty in Af ◆	C.F.A. Franc	426½
Fr. Guiana	Local Franc	8.52¼
Fr. Pac. Is.	C.F.P. Franc	154.354
Gabon	C.F.A. Franc	426½
Gambia (S)	Dalasi	4
Germany (East)	Ostmark	4.14
Germany West	Deutschemark	4.14
Ghana (S)	Cedi	1.97
Gibraltar (K)	Gibraltar £	1.00
Gilbert Is.	Aust. Dollar	1.57915
Greece	Drachma	65.5920
Greenland	Danish Kroner	10.16¾
Grenada (S)	E. Caribbean $	4.6291
Guadaloupe	Local Franc	8.52¼
Guam	U.S. $	1.7149
Guatemala	Quetzal	1.7145
Guinea Rep	Sily	38.0275
Guinea Bissau	—	56.447
Guyana (S)	Guyanese $	4.372
Haiti	Gourde	8.572
Honduras Rep	Lempira	3.45
Hong Kong (S)	H.K. $	7.9658
Hungary	Forint	(com) 71.86 (nc)(T) 36.92
Iceland (S)	I. Krona	328.50
India (S)	Ind. Rupee	15.13½(sg)
Indonesia	Rupiah	711.517
Iran	Rial	(A) 121
Iraq	Iraq Dinar	0.50688
Irish Rep K	Irish £	1.00
Israel	Israel £	15.4368
Italy	Lira	1,512½
Ivory Coast	C.F.A. Franc	426½
Jamaica (S)	Jamaica Dollar	1.5668
Japan	Yen	494
Jordan (S)	Jdn. Dinar	0.550(sg)
Kampuchea	Riel	n.a.
Kenya (S)	Ken. Shilling	14.37
Korea (Nth)	Won	n.a. (g)
Korea (Sth)	Won	830½
Kuwait (S)	Kuwait Dinar	0.4950
Laos	Kip Pot Pol	545
Lebanon	Lebanese £	5.2555
Lesotho	S. African Rand	1.491525
Liberia	Liberian $	1.7145
Libya	Libyan Dinar	(P)0.5076
Liecht'nstn	Swiss Franc	4.31
Luxembourg	Lux Franc	65.45
Macao	Pataca	12.7325
Madeira	Portug'se Escudo	55.52½
Malagasy Rp.	MG Franc	426½
Malawi (S)	Kwacha	1.5642
Malaysia (S)	Ringgit	4.232
Maldive Is. (S)	Mal Rupee	14.254
Mali Rp.	Mali Franc	852.25
Malta (S)	Maltese £	0.738
Martinique	Local Franc	8.52¼
Mauritania	Ouguiya ♣	85.334
Mauritius (S)	M. Rupee	11.475
Mexico	Mexican Peso	37.71
Miquelon	C.F.A. Franc	426½
Monaco	French Franc	8.52¼
Mongolia	Tugrik	(g) n.a.(g) —
Montserrat	E. Caribbean	4.6291
Morocco	Dirham	7.46(sg)
Mozambique	Moz. Escudo	55.52½
Nauru Is.	Aust. Dollar	1.57915
Nepal	Nepalese Rupee	21.474
Netherlands	Guilder	4.32¾
Neth. Ant'les	Antillian Guild	3.0689
New Hebrides	Franc Austl. Dollar	157.7574 1.57915
N. Zealand (S)	N.Z. Dollar	1.8016
Nicaragua	Cordoba	12.04
Niger Rp	C.F.A. Franc	426½
Nigeria (S)	Naira	1.176
Norway	Nrwg. Krone	9.09¼
Oman Sultanate of (S)	Rial Omani	0.592
Pakistan	Pkst. Rupee	16.79(sg)
Panama	Balboa	1.7145
Papua N.G. (S)	Kina	1.3699
Paraguay	Guarani	215.98
P'pl's D. Rp. of Yemen (S)	S. Yemen Dinar	(A)0.575
Peru	Sol	exc A 122.14
Philippines	Ph. Peso	12.749
Pitcairn Is. (S)	£ Sterling New Zealand $	— 1.8016
Poland	Zloty	(Cm)32.52 (T)58
Portugal	Port. Escudo	55.52½
Port Timor	Timor Escudo	55.52½
Principe Isle.		n.a.
Puerto Rico	U.S. $	1.7145
Qatar (S)	Qatar Ryal	6.77
Reunion, Ile de la	French Franc	8.52¼
Rhodesia	Rhodesian $	1.0570
Romania	Leu	(cm)8.48 (n/c)(T)20.58
Rwanda	Rwanda Franc	158.54
St. Christopher (S)	E. Caribbean $	4.6291
St. Helena (S)	St. Helena £	1.0
St. Lucia (S)	E. Caribbean $	4.6291
St. Pierre	C.F.A. Franc	426½
St. Vincent (S)	E. Caribbean $	4.6291
Salvador El	Colon	4.29
Samoa (Am)	U.S. $	1.7145
San Marino	Italian Lira	1,512½
Sao Tome	Port. Escudo	55.52½
Saudi Arabia	Ryal	6.05
Senegal	C.F.A. Franc	426½
Seychelles	S. Rupee	13.55
Sierra Le'ne (S)	Leone	2.0
Singapore (S)	Singapore $	4.215
Solomon Is. (S)	Australian $	1.57915
Somali Rep.	Som Shilling	A 10.755 sg
Sth. Africa (S)	Rand	1.491525
S. W. Africa Territories (S)	S. A. Rand	1.491525
Spain	Peseta	(b)118.25
Span. Ports in North Africa	Peseta	118.25
Sri Lanka (S)	S. L. Rupee	14.865(sg◆◆)
Sudan Rp.	Sudan £	A0.597(sg)
Surinam	S. Guilder	3.0589
Swaziland (S)	Lilangeni	1.491525
Sweden	S. Krona	7.30
Switzerland	Swiss Franc	4.31
Syria	Syria £	A 6.5006
Taiwan	New Taiwan $	(P)65.16
Tanzania (S)	Tan. Shilling	14.375
Thailand	Baht	34.07
Togo Rp.	C.F.A. Franc	426½
Tonga Is. (S)	Pa'anga	1.3855
Trinidad (S)	Trin. & Tobago	4.115
Tunisia	Tunisian Dinar	0.706 (sg)
Turkey	Turkish Lira	26.49(Tg)
Turks & C's	U.S. $	1.7145
Tuvalu	Australian $	1.57915
Uganda (S)	Ug. Shilling	14.37
Utd. States	U.S. Dollar	1.7145
Uruguay	Uruguay Peso	(cm) 8.55 (fn) 7.16
Utd. A'b Emir's	U.A.E. Dirham	6.68
U.S.S.R.	Rouble	1.25
Upper Volta	C.F.A. Franc	426½
Vatican	Italian Lira	1,512½
Venezuela	Bolivar	7.29(x)
Vietnam (Nth)	Dong	(O) 4.5591 (T) n.a. (g)
Vietnam (Sth)	Piastre	5.1718
Virgin Is. U.S.	U.S. Dollar	1.7145
Western Samoa (S)	Samoan Tala	1.0251
Yemen	Ryal	7.49(sg)
Yugoslavia	New Y Dinar	31.46654
Zaire Rp.	Zaire	1.488323
Zambia	Kwacha	1.37

◆ That part of the French community in Africa formerly part of French West Africa or French Equatorial Africa.

◆◆ Rupees per pound. Tourists visiting Sri Lanka receive a premium of 65 cents per cent.

♣ The Ouguiya has replaced the CFA franc. The exchange was made at a rate of CFA Frs.5 to one unit of the new currency.

(x) General rates oil and iron exports 72.08.

(g) The Mongolian tugrik has lately been reported to stand at an official commercial rate of 0.225 Russian roubles; the North Vietnamese dong at 0.306 roubles and the North Korean won at 0.7493 roubles. With the pound standing at 1.25 roubles the following relationship could be calculated for the pound: £=5.58 tugriks; £=4.08 dongs; £=1.668 won.

* Rate is the Transfer market (controlled).

** Rate is now based on 2 Barbados $ to the dollar.

‡ Now one official rate.

FERTILIZANTES VALE DO RIO GRANDE S. A. - VALEFERTIL
UBERABA - MINAS GERAIS - BRAZIL
INVITATION FOR REGISTRATION OF MANUFACTURERS

1.0—FERTILIZANTES VALE DO RIO GRANDE S.A. — VALEFERTIL, is undertaking the establishment of a Fertilizer Complex. This complex includes two 1300 MTPD Sulfuric Acid Units, two 470 MTPD of P_2O_5 Phosphoric Acid Units, one 1000 MTPD Monoammonium Phosphate Unit and one 1080 MTPD Triple Superphosphate Unit.

2.0—VALEFERTIL has applied for a loan from the International Bank for Reconstruction and Development (IBRD) in various currencies equivalent to about US$ 75 million towards the cost of equipment and services and intends to apply the proceeds of this loan to eligible payments under the contracts for which this notice is issued. Payment by IBRD will be made only at the request of VALEFERTIL in accordance with terms and conditions of the loan agreement. Purchases will be made from the member countries of IBRD and Switzerland.

3.0—Interested manufacturers should submit, in English a list of categories of items and sub-items they can supply, plus technical catalogues and other supporting information giving:

- — General performance details and warranties;
- — Anticipated delivery times for equipment and materials and schedules for furnishing technical data and certified drawings after receipt of orders;
- — List of customers using and operating the equipment for the last 2–3 years, with plant name and location for inspection and reports of operation;
- — Number of weeks required to prepare a proposal;
- — List of items usually subcontracted;
- — Availability of after-sales services and spares in Brazil; number of engineers employed with total number of employees showing number of skilled and unskilled employees;
- — Latest annual financial reports.

4.0—Manufacturers interested in bidding should Air Mail applications for "Registration" in quadruplicate within six weeks after the publication of the advertisement giving the information listed in paragraph 3.0 to:

FERTILIZANTES VALE DO RIO GRANDE S.A. —
VALEFERTIL.
C/O CONSÓRCIO NATRON/FLUOR
Rua Dom Gerardo — 40
20.000 — Rio de Janeiro — Brazil

5.0—VALEFERTIL reserves the right to verify all statements and inspect manufacturer's facilities to confirm manufacturer's capability to perform the work at any time before award of purchase and reserves the right to reject any prospective manufacturer without assigning any reasons therefore. When invitations to bid are sent to registered bidders, VALEFERTIL may state limitations under which some or all bidders can present their bids or ask for additional information related to the specific types of equipment needed. No further correspondence shall be entertained for non-selection of a manufacturer.

6.0—Principal factors that will be considered in evaluating bids from registered manufacturers will include price, taxes, quality, technical details offered with the bid, operation, maintenance and installation costs, freight, delivery time, performance guarantee, inspection and expediting expenses, payment terms and manufacturer's specific experience, as specified when requesting for bids.

7.0—Manufacturers who have not supplied equipment and materials of similar magnitude and duty for a Phosphate—based fertilizer plant need not apply.

8.0—Manufacturers are requested to indicate the item and sub-items from the following categories for which they would like to receive an "Invitation to Bid".

1. *Pressure vessels, atmospheric vessels, storage tanks, scrubbers, demisters, absorbers and stacks, of carbon and alloy steel.*
2. *Silos, cyclones, ducts and bag filters of carbon steel.*
3. *Shell and tube heat-exchangers, water tube boilers, waste-heat boilers, economisers, superheaters and carbon block heat exchangers.*
4. *Rotary dryers and granulators.*
5. *Grinding mills and vibrating screws.*
6. *Agitators and rakes.*
7. *Sulphur, sulphuric acid and phosphoric acid pumps.*
8. *Vacuum pumps.*
9. *Centrifugal, rotary and metering pumps of carbon steel, alloy steel and plastic materials.*
10. *Blowers, fans and exhausters.*
11. *Air and ammonia compressors.*
12. *Steam turbines and turbo-generator.*
13. *Belt conveyors, bucket elevators and solid handling equipment.*
14. *Payloaders, stackers and weight scales.*
15. *Sulphur and oil burners.*
16. *Sulphur filters.*
17. *Firebricks and mortar, carbon blocks, anti-acid lining.*
18. *Insulation material.*
19. *Piping and pipe materials, including valves and fittings of carbon steel, alloy steel, Uranus B6, stainless steel, cast iron, bronze, reinforced PVC and fiberglass, and rubber-lined.*
20. *Process instrumentation and control valves.*
21. *Electrical equipment, including motors, transformers, circuit-breakers, switchgears, motor control centers and load centers.*
22. *Electrical materials, including wiring conduits, etc.*
23. *Cooling towers.*
24. *Safety equipment.*
25. *Equipment and materials for laboratory.*
26. *Mechanical and electrical maintenance equipment.*
27. *Catalysts.*
28. *Ammonia railroad cars.*
29. *Structural steel.*

BIDS AND DEALS

Guinness Peat is agreed bidder for LEGT

Guinness Peat has emerged as the bidder for London Electrical and General Investment Trust. The terms, which are agreed, are 55 Ordinary shares in Guinness Peat, plus £15.50 in cash, for every 100 London Electrical shares. At current prices—with Guinness Peat at 138p, down 10p yesterday —the offer is worth 102.4p per share.

Arrangements have been made by stockbrokers Cazenove and Co. to underwrite the Guinness Peat shares at 150p net per share, which places a minimum value on the bid of 98p per share.

The bid is seen as something of a defensive move since United Kingdom Provident has already declared that it has built up a stake of 11½ per cent. in London Electrical. Guinness Peat, while having no major holding itself in the trust, has an interest in the deal through its banking subsidiary Guinness Mahon which manages the fund.

The cash alternative in the Guinness offer, which values each London Electrical share at 98p per share, closes at the first offer date.

The estimated asset value per share of London Electrical at January 31 this year was 103.5p per share.

Guinness Peat made it clear yesterday that the acquisition of the trust was really an alternative to a rights issue for the group. It is intended that the portfolio of the trust will be liquidated following the acquisition.

Guinness Peat Group has been advised by Guinness Mahon, while the directors of London Electrical and General Trust are being advised by merchant bankers J. Henry Schroder Wagg.

EVA-EDGE

Eva Industries has received acceptances of the offer for Edge Tool Industries totalling £172,457 of the 3.3 per cent. cumulative Preference stock, representing 95.8 per cent. of Pref. stock of Edge. The offer is now unconditional and remains open.

CHIYODA U.K. EXPANSION

The Chiyoda Fire and Marine Insurance Company, of Tokyo, has created a U.K. subsidiary. The Chiyoda Fire and Marine Insurance Company (U.K.).

The new company has an issued share capital of £1m. (£500,000 paid up) and has been authorised to underwrite all classes of general business other than motor.

ARGUS NEWSPAPERS

Argus Newspapers, which already owns 20 newspapers in Surrey and South London, have acquired the Kingston Borough News from Haywill Press, a subsidiary of South London Press.

H & C merger to go ahead

The merger of the "three sister" plantation companies in the Harrisons and Crosfield stable is to go ahead, despite the £43½m. cash offer for Golden Hope made by Genting Highlands, the Malaysian hotels and casino group which had thwarted a previous merger scheme.

Baring Brothers, advisers to the merger, said yesterday that acceptances for all three companies—Golden Hope, London Asiatic and Pataling—exceeded 50 per cent. A further statement including details of the level of acceptances will be made at 9.30 a.m. this morning.

Previous merger proposals received the support of a majority of shareholders in all companies. But Genting, by opposing the first scheme in respect of Golden Hope, managed to prevent the required 75 per cent. majority. The present plan required only 50 per cent. acceptances from each company.

Genting's 86p a share cash offer was hotly opposed by Harrisons and Crosfield (which together with associates held over 30 per cent. of Golden Hope) and the powerful M and G unit trust group with a further 9 per cent.

Shares in the new company, Harrisons Malaysian Estates (HME) will be quoted, it is expected, on Thursday.

On the basis of their participations in HME, Golden Hope, down again 2p to 80p last night, pointed to a price of 49p for the new company, while London Asiatic and Pataling indicated prices of 46p and 47p respectively.

If Genting, as may be likely, accepts the HME terms its stake would be about 9-10 per cent. of the new company.

The next stage of the plantations merger will be the transfer of residence of HME to Malaysia and the formation of a new Malaysian Company, Harrisons Malaysia Berhad. It is at this stage that more may be heard from Genting Highlands on many of the points it has raised so far, in particular on the "pyramidding" effect it fears may result from such a transfer.

WILLIAMS HUDSON HOLDERS ASKED TO WAIT

The three independent directors of Williams Hudson Group, for which Mr. David Rowland's private trust, Argo Group, is bidding 25p a share for the 35 per cent. of the shares it does not control, are advising shareholders to take no action until they have been advised by Deloitte's, the chartered accountants.

Deloitte's have not yet had sufficient time to complete all necessary inquiries and pending their advice the independent directors "do not feel that it would be appropriate to comment on the Argo offer document" which has now been sent to shareholders.

In his letter with the offer document Mr. Rowland says that although the net tangible assets of Williams Hudson indicate a higher asset value than the offer price "this value would only be fully realisable if all the assets of the company were sold at their book value and the company was then wound up."

MOORE CORP. IN AGREED BID FOR REST OF LAMSON

Moore Corporation, the Canadian business forms company, is making an agreed 85p a share bid for the 48 per cent. of Lamson Industries which it does not already own. The bid values Lamson at £30.5m.

News that Moore and Lamson were having discussions last week pushed the Lamson share price as high as 97p on Friday. After the terms were disclosed yesterday the shares closed at 82p.

It has also been agreed that Moore will acquire Lamson's 6 per cent. Cumulative Preference shares at 56p each.

Moore increased its interest in Lamson from 20 per cent. to 52 per cent. in 1973 "with a view to developing the already close association between the two companies."

Moore now says that results during the past two years have not reflected the progress that both companies would have wished.

Following the bid, Lamson would be reorganised so that ownership and management of certain overseas subsidiaries would be transferred to Moore International BV in Holland.

It is intended that Lamson should continue to operate as an entity.

The acquisition would be effected by a scheme of arrangement. Moore has been advised by S. G. Warburg and Co.

SUITS/LESLIE AND GODWIN

Leslie and Godwin (Scotland), a subsidiary of the Leslie and Godwin (Holdings) insurance broking group, is proposing to purchase J. W. McLellan, the insurance broking subsidiary of Sir Hugh Fraser's Scottish and Universal Investments.

Consideration for the take-over is to be an issue of shares, of undisclosed amount. In the enlarged Leslie and Godwin (Scotland), which will run the combined business. This will leave SUITS with a stake of one-third, and the Leslie and Godwin group with two-thirds.

Pre-tax profits of McLellan for the nine months to December 31, 1975, amounted to £21,841 and shareholders' funds were £36,880, including goodwill of £22,712.

Pre-tax profits of Leslie and Godwin (Holdings) for the year 1975 were £3.46m. and shareholders' funds amounted to £10.67m., including goodwill of £4.98m.

GRAFF MINORITY OFFERED COMPROMISE

Small shareholders at Graff Diamonds who have strenuously opposed a plan by Mr. Laurence Graff and his family to revert to a private company are now being offered a compromise.

Instead of the compulsory acquisition of the 28 per cent. minority at 29p a share (which, although passed by 85.5 per cent. by value of votes, scraped in by a numerical majority of only one) Sandstar, a private company owned by the Graff family, are now offering to buy for a 21-day period any shares which shareholders may wish to sell.

In addition, all holders are entitled to receive both dividends, totalling 3.81p, mentioned in the original scheme document.

Holders of the shares held or managed by associates of Hambros Bank which has advised Graff Diamonds, amounting to 104,000 shares or 38 per cent. of the outstanding shares, have indicated that they intend to sell out to Sandstar.

If directors apart from Mr. and Mrs Graff follow suit the shares remaining would be capitalised at around £0.25m. with the Graff shares at 29p.

QST SELLS LAMPA STAKE

Q.S.T. Industrial Trust, which launched an unsuccessful 120p a share bid for Lampa Securities, now in the process of voluntary liquidation, has sold its 26 per cent. stake in the market.

Recently two ex-Slater Walker executives, Mr. Michael Booth and Mr. Ian Wasserman, announced that they had increased their stake to 17.1 per cent. each.

A first distribution of 90p a share will be paid to Lampa shareholders on February 7.

PEARSON LONGMAN ACQUISITION

Longman Group, a subsidiary of Pearson Longman Group Limited, has acquired the whole of the share capital of Construction Press. The net assets of Construction Press at December 31, 1976, amounted to £16,000.

APPROVAL FOR BAKER PERKINS

Baker Perkins Holdings say that in relation to its intention to offer $10.35 for the minority holders shares in Baker Perkins Incorporated, the Board of Baker Perkins Incorporated has now approved the cash merger proposal and consent of the U.K. authorities has been received.

ADDS RACAL AND MILGO

The £35m. takeover battle for Milgo, the Miami based electronics group, between Racal Electronics and the U.S. Applied Digital Data Systems seems to be approaching a stalemate.

Yesterday both sides announced that they had received 45 per cent. acceptances—Racal having increased its cash offer for the third time to $35 a share on Friday. However, ADDS has extended its offer to 5 p.m. local time in New York which has left some hours in which the two sides could negotiate.

Racal said yesterday that although it had received acceptances of only 45 per cent., intended to go ahead with rights issue to raise at least the sterling equivalent of the sum ($62½m.) necessary to complete the acquisition. Treasury approval has been given for dividend of 7.56p net for 1977-

It has also been reported that Racal has failed to obtain injunction temporarily preventing ADDS from acquiring Milgo stock that had been tendered to it.

ASSOCIATES DEAL

Paul E. Schweder, Miller and Co. on February 3 bought 100,0 Williams Hudson group Ordinary shares at 24½p on behalf of Argo Group S.A.

McAnally, Montgomery and Co. purchased 18,000 Beaver Group shares at an average 46.361p on behalf of Van Cutsem and associates who are acting as associates of C. H. Industrial.

Hedderwick, Stirling, Grumbar and Co. purchased on behalf of a director of Beaver Group 12, Beaver Group Ordinary at 4 on February 4, 1977 and 5,000 48p yesterday.

McAnally Montgomery and Co. purchased on February 4 6,0 Beaver Group Ordinary at 47p behalf of associates of C. Industrials.

Smith Keen Cutler has so 15,000 Associated Engineering 94p on behalf of an associate Serck.

SHARE STAKES

Mcleod Russel and Co. sol 1,000 Churchbury Estates share on February 1, reducing its hol ing to 264,000 shares or 16.5 p cent.

RECENT ISSUES

EQUITIES

Issue Price p	Amount Paid up	Latest Renunc. Date	1976/7 High	1976/7 Low	Stock	Closing Price p	+ or −	Div. Amount	Times Covered	Gross Yield	P/E Ratio
‥	Nil	–	9	[illegible]	Amalgamated Stores	7¼p	−¼	–	–	–	–
[illegible]	[illegible]	[illegible]	[illegible]	488	[illegible]	488	−12				
[illegible]	F.P.	[illegible]	£25¼	£24½	[illegible]	£27½	−½	[illegible]		2.7	

FIXED INTEREST STOCKS

Issue Price £	Amount Paid up	Latest Renunc. Date	1976/77 High	1976/77 Low	Stock	Closing Price £	+ or −
‥	F.P.	16/2	£10½	£9½	Adams Foods 1?% Conv. 1991-96	105	‥
£100	F.P.	‥	101	100¼	Agric. Mort. 10⅝% Bds. 1978	101	‥
£100	F.P.	—	101¼	100½	Agric. Mort. 14⅛% Bds. 1979	101¼	‥
£100	F.P.	—	102¼	101½	Agric. Mort. 14⅝% Bds. 1983	102½	‥
‥	Nil	‥	52½	52½p	Amalgamated Stores 6½% Cum. Pref.	52½p	‥‥
££1	F.P.	19.1	202	107½	Dunlop & Elliott 1?% Conv. Red. Pref.	190	−5
£1.94	F.P.	28.1	98½	[illegible]	Essex Water 9% Red. Pref. 1982	98	‥‥
£100	£10	14	14¼	13⅝	Mid Kent Water 9% Red. Pref. 1982	14¼	‥‥
‥	F.P.	1/12	79	70	Newman Inds. 10% Cum. Pref.	79	‥‥
£1.94	F.P.	7/1	98	94½	Tendring Hundred Waterworks 9% Red. Pr. 1981	98	‥‥
—	F.P.	7/1	76	71	Walter Paber 12% Cum. Pref.	76	‥‥

"RIGHTS" OFFERS

Issue Price p	Amount Paid up	Latest Renunc. Date	1976/77 High	1976/77 Low	Stock	Closing Price p	+ or −
$A4	$A2	–	3/12	470	Broken Hill Props.	430	−25
[illegible]	F.P.	12.1	9.2	140	Hillar Int'l	128	‥‥
R2.20	nil	—	—	2½	Klandarand	1½pm	‥‥
A1.15	F.P.	5.12	17.12	24?	National Bank of Australasia	210	+2
10p	nil	–	‥	1	Websters Publications	6½pm	‥‥
[illegible]	F.P.	[illegible]	‥	131	Western Mining	114	−7

Renunciation date usually last day for dealing free of stamp duty. a Placing price to public. b Figures based on prospectus estimate. d Dividend rate paid or payable on part capital, cover based on dividend on full capital. g Pence unless otherwise indicated. ‖ Forecast dividend; cover based on previous year's earnings. ‖ Figures based on prospectus or other official estimate for 1976. ◊ Gross. r Figures assumed. ‡ Cover allows for conversion of shares not now ranking for dividend or ranking only for restricted dividends. ** Issued by tender. ✣ Offered to holders of Ordinary shares as a "rights." ♥ 90 S.Afr. cents. ‡ Rights by way of capitalisation. ‥ Tender allotment price. ✦ Reintroduced. ‥ Issued in connection with reorganisation, merger or take-over. ✣ Introduction. ● Issued to former Preference holders. ‡ Allotment letters (or fully-paid). Provisional or partly-paid allotment letters. ¢ With warrants. ⊕ After suspension. KD Kuwait Dinar.

MINING NEWS

Inco's 1976 earnings improve to $197m.

BY KENNETH MARSTON, MINING EDITOR

A GOOD fourth quarter has brought 1976 estimated total net earnings of Canada's International Nickel giant to $196.8m. (£114.7m.), or $2.64 (£1.54) per share. This compares with $186.9m. in 1975 when the group suffered from reduced nickel sales, sharply lower copper prices and rising costs. Inco's sales in 1976 improved to $2bn. from $1.7bn.

A first quarterly dividend for 1977 is now declared of 35 cents (20.4p). For 1976 there were four quarterly dividends, each of 35 cents, plus a year-end payment of 20 cents which brought the total to $1.60, the same as for the previous year.

Major factors in the improved earnings performance in 1976 were increased sales of nickel and precious metals (these include platinum), better prices for nickel copper, and a substantial increase in the ESB electric battery subsidiary's contribution.

It is pointed out that these benefits more than offset the adverse effects of rising costs in the metals business, reduced demand for formed metal products, higher interest charges and a reduced amount of favourable currency exchange adjustments; net earnings in 1976 included a credit of $2m. from exchange gains compared with one of $14m. in 1975.

Deliveries of nickel in all forms last year totalled 410m. lbs compared with 351m. lbs in 1975, while those of copper rose to 358m. lbs from 335m. lbs. Deliveries of rolling mill products, however, fell by 12 per cent. last year.

BELLAMBI COAL BOOSTS PROFITS

The Gold Fields group's New South Wales coal producer, Bellambi, is tripling its interim dividend after recording net profits for the half-year to last December nearly four and a half times greater than in the 1975-76 first half.

The interim dividend is 30 cents (19p), against 10 cents at the halfway stage in the last financial year and 25 cents for the whole 1975-76 year.

First-half net profits rose sharply to $2.33m. (£1.47m.), compared with $426,000 in the same period of 1975, following a near 90 per cent. rise in group coal and coke sales to 26.47m. tonnes.

Behind the upsurge was what Gold Fields calls "a much improved industrial atmosphere." As output from the longwall units was higher and more consistent, Bellambi was able to reach planned production levels.

UCI cuts its dividend

AS FORESHADOWED at the half-year stage the Union Corporation group's investment subsidiary, UC Investments, reports lower profits and dividend for 1976. Earnings for the past year amount to R6.32m. (£4.24m.), or 32.4 cents per share, compared with R7.12m., or 36.5 cents, for 1975. A final dividend of 20 cents (13.4p) makes a 1976 total of 30 cents against 36 cents.

As part of last year's full takeover by Union Corporation of its Geduld Investments offshoot there was a R4.32m. exchange of investments between Geduld and UCI under which Geduld received industrial holdings and UCI was given mainly mining issues.

The UCI portfolio has a large content of gold shareholdings and a sizeable interest is held in Impala Platinum. At end-1976 UCI shares had a net asset value of 430.5 cents (289p). They were 120p cum-premium yesterday.

CRA IS COOL ON DIAMOND FIND

Cool, but not cold, comment has come from Conzinc Riotinto of Australia on last week's claim by Northern Mining that a "potentially economic" discovery of diamonds has been made in the Kimberley region of Western Australia by a consortium headed by CRA and including Northern Mining.

CRA has pointed out in Melbourne that the Ashton joint venture find is not as yet a commercial prospect and that "the exploration programme is still in the early stages of what is essentially a long-term, expensive, high-risk undertaking." Northern Mining were 8p yesterday.

London Tin production

DESPITE lower production figures last month the London Tin Corporation group's Berjuntai and Malayan Tin mines are keeping well ahead of their output rates for 1975-76. The January tin concentrate output of Berjuntai brings the total for the past nine months to 3,18 tonnes against 2,843 tonnes a year ago. Production in the current month should benefit from the resumption of the No. 6 dredge operations on January 24.

Malayan's seven-month total comes out at 1,958 tonnes against 1,378 tonnes, but that of the sister company Southern Malayan continues to lag at 1,342 tonnes against 1,503 tonnes. Southern Kinta's Tukuapa offshore dredge resumed work on January while the Lower Perak dredge started up again on January 11.

Latest tin concentrate production figures of the London Tin group's Far Eastern mines are compared below.

	Jan. Tonnes	Dec. Tonnes	Nov. Tonnes
Amal. of Nigeria	*[illegible]	*147	*140
Aokam	13*	155	158
Berjuntai	303	300	310
Kamunting	53	56	47
Kramat	45	26	13
Kuala Kampar	28	27	[illegible]
Lower Perak	14	30	14
Malayan	291	354	296
Sthn. Kinta Cons.	182	141	†17
Sthn. Malayan	176	197	191
Tongkah Harbour	36	34	34

* Four weeks. † Five weeks.

MINING BRIEFS

EX-LANDS—January (four weeks) ore production, 30 tonnes (December tonnes).

KILLINGHALL TIN—January tin output, 78 tonnes (December 94½ tonnes).

RAHMAN HYDRAULIC—January output, 31 tonnes (December 47 tonnes

Highveld Steel holds sales in first half

BY RICHARD ROLFE

JOHANNESBURG, Feb. 7.

HIGHVELD STEEL and Vanadium, which is controlled by Anglo American, has reported maintained sales of steel products and vanadium slag in the six months to end-December, which come as something of a surprise in view of the down turn in world steel activity in the fourth quarter of 1976. The interim profit figure is up from R14m. to R17.2m., but the rise appears to owe a good deal to the first-time inclusion of profits from the manganese ferro-alloy producer, Transalloys, in which Highveld acquired a 65 per cent. stake in July 1976. The latest interim shows minority interests of R0.69m., which suggests that the new subsidiary contributed R2m. to Highveld's half-year profits at the pre-tax level, in which case there was about R1m. of profits growth in the basic group.

The chairman, Mr. Graham Boustred, says that the 8.8 per cent. rise in the domestic price of steel in South Africa during December 1976 helped restore profit margins, but warns that it has been largely offset by higher electricity tariffs from January 1977, when a 23 per cent. tariff hike was implemented, which brought the rise in electricity tariffs to 70 per cent. over the past nine months. Mr. Boustred says that cost inflation in general—and this would include railage rates—is undermining the competitive position of South African steel and ferro-alloys when these sectors are facing weak export markets.

However, these problems aside, the forecast is for "a similar level of profits in the second half of the year," implying attributable profits, after minority interests and deferred tax, of R19.2m. After the Transalloy acquisition and the exercise of options on 6.3m. shares by warrant holders, the present share capital of Highveld is R67.7m., up from 58.2m. a year ago, and full year earnings, on the forecast, would work out at 29c.

With this week's interim report is a first-ever interim dividend, amounting to 5c, and a 10c final looks possible, compared with last year's 12.5c total. That would put the shares at 153c on a yield of just under 10 per cent., which is not a bad rating for this slow-maturing group, with its pole position in the vanadium market, and but for current political uncertainties, the rapid build-up in dividends over the past four years (from 5c in 1973) with the relatively painless financing of the R80m. expansion programme, now half completed, would ensure a lower yield basis

Bankruptcy in Bergen

BY FAY GJESTER

OSLO, Feb. 7.

A BERGEN shipping company which specialised in placing orders with shipyards and then re-selling the contracts to other shipping companies—a profitable enterprise in the early 1970s boom in constructing—is to be declared bankrupt. When the boom ended, the company was left with unsaleable contracts on its hands.

The company—Frendo A/S—has failed to reach agreement with its 331 creditors on settlement of their claims, which total over Kr.111m (£12.2m.). Frendo had offered a 25 per cent. settlement—the minimum allowed by Norwegian law—but this was rejected by a majority of the 331. The Polish State Shipbuilding Company is the biggest single creditor, with a claim of Kr.29.2m.

The amount of the claims against Frendo will make this the biggest bankruptcy recorded in Bergen since the World War I speculation boom, Press reports say.

● **LEIF HOEGH AND CO.**, Norwegian shipowners, report gross freight earnings totalling Kr 1.64bn (£179.6m.) in 1976, 13 per cent. up on a year earlier. The company says that in view of the market situation, the year's operating profit of Kr.220m. must be regarded as satisfactory.

Philippines in first BD bond issue

THE FIRST-EVER listed bond issue denominated in Bahraini dinars (BD) has been launched, reports a FTR from Bahrain.

The BD8m. bond is for the Republic of the Philippines and the lead manager is Kidder Peabody International, the U.S. investment bank. The issue will be listed on the Luxembourg Stock Exchange.

The borrowing is for seven years at 9 per cent. There are five co-managers, three of them Bahrain-based, off-shore banking units — Algemene Bank Nederland, Bank Saderat Iran and Scandinavian Bank. The other two co-managers are Citicorp International Bank in London, which has a representative office in Bahrain, and Wardley Middle East of Dubai, which is the Hong Kong and Shanghai Bank's merchant banking arm.

At least one of the major banking institutions in Bahrain will be making a market in the bonds.

Poclain denies further talks

A spokesman for French construction firm Poclain SA said the company has not held talks with any private or nationalised groups since it signed a protocol agreement with the U.S. group Case-Tenneco at end-January, reports Reuter from Paris.

The spokesman said the Case-Tenneco agreement has been submitted to the Industry Ministry for approval, and any new initiative can only come from the Government.

Dow Banking

Net profits of Dow Banking Corporation, Zurich, rose 15.2 per cent. to Sw.Fr.8.3m. last year, from which an unchanged dividend of 4 per cent. is to be paid on capital of Sw.Fr.100m. reports John Wicks from Zurich. Total assets of the Bank were up by 8.6 per cent. to Sw.Fr.1.246bn. Reuter.

MEMOREX

Recovery through new management

BY ART GARCIA

AFTER A CLOSE brush with bankruptcy, Memorex Corporation now is a company "in transition," says the man credited with rescuing it, Robert Wilson, a hard-driving but soft-spoken executive who talks of a company's "attitude" and "culture" in the same breath as he speaks of its profits.

They are all related, believes Mr. Wilson, who took over as chairman, president and chief executive of Memorex three years ago when it was a faded and failing former glamour stock and a once-proud independent supplier of disc storage and semi-conductor memory systems. "One of the things I like to say is that at Memorex, integrity is not optional, it's a condition of employment, and that's part of our culture," he says.

Debacle

Always ready to turn a phrase in talks to financial analysts, bankers and stockholders, Mr. Wilson describes 1973 as "the year of the debacle" at the company. He tabs 1974, his first year at the helm, as "the year of the turnaround," just as he labels 1975 "the year of restoration." Pressed for a description of 1976, he finally settles on "the year of growth."

Memorex recently reported record 1976 sales of $344.6m., an increase of $80.6m. or 31 per cent. over 1975's volume of $264m. That ranks Memorex among America's 500 largest industrial companies.

Last year's earnings also were at a record high at $24.9m. or $4.35 a share before special credits. That compares with 1975's net income of $8.2m. or $1.74 a share before extraordinary gains.

Insolvency

Another prospective source of future income is the company's suit against International Business Machines, one of the largest private antitrust actions ever filed in the United States. Memorex seeks treble damages of more than $3bn. to recover losses it says it suffered because of IBM's alleged "predatory practices." Mr. Wilson, who considers the suit a "major asset" for Memorex, says the trial is set for mid-1977.

In leading the company back from the brink of insolvency, Mr. Wilson motivates by example, acting as a corporate cheer-leader who continually encourages his troops.

Although he insists he does not believe in inspirational cliches, his formulas for success are stated frequently enough so the management staff at Memorex is fully tuned into the basics of the boss's thinking. So is any employee who takes a look at Mr. Wilson's car outside his modest office. The small-sized Chevrolet bears a licence plate reading "MR XACP" and there are few at the Santa Clara headquarters south of San Francisco who are unfamiliar with the meaning of that code. The "X" is for Memorex and the other letters represent "attitude," "cash" and "profits."

Mr. Wilson took on the shaken company in the spring of 1974 from a comfortable job as president of Collins Radio Company, the star subsidiary of Rockwell International Corporation. His job was to rebuild what had been a successful technology competitor and also to salvage the original investment of the company's stockholders and its financial backers, notably Bank of America, the primary creditor with more than $150m. tied up in Memorex.

Mr. Robert C. Wilson, president, chairman and chief executive.

It was Bank of America which endorsed the lucrative incentive that persuaded Mr. Wilson to tackle the challenge by guaranteeing his $1m. five-year contract, plus bonus and retirement package that could permit him to earn up to $600,000 annually. Some say he has already proved the worth of that generous compensation. After reeling to a $27.7m. deficit in 1971 that sank to a net loss of more than $90m. in 1973, Memorex began its reversal in 1974 when the loss was cut to just under $9m.

Revenues that year had increased to $218m. from 1971's $110m. and the company for the first time could show a positive cash flow. In 1975, the second year with Mr. Wilson running the company, Memorex was back in the black with net earnings of $18m. as revenues climbed to $274m.

At the end of 1973, the company had only $4m. in cash on hand, "barely enough to keep the doors open," recalls Mr. Wilson. At the end of 1974, the cash position had improved to $12m. and by the close of 1975 had improved to $40m. Besides its healthy cash balance, Memorex has an unused line of credit for equipment financing with Bank of America of more than $17m. Together with financing from leasing companies, it has more than $100m. in available funds to finance growth, he says.

"Memorex now has the freedom of action required to build the future. It is our intention to utilise our new-found freedom to make selected acquisitions and affiliations," Mr. Wilson says. In late November it bought back the 55 acres on which its headquarters complex is located. The property had been sold and the buildings, which are not being repurchased, were then leased back under a long-term occupancy agreement.

International

Other acquisitions are likely to be in what he calls the "international arena," without being specific. Memorex now markets about 42 per cent. of its output outside the United States and he sees the overseas share of total volume growing faster than the domestic market. Present major foreign markets are Germany, France, Italy, the United Kingdom and Japan. The company has only one overseas manufacturing plant, in Liege, Belgium, which primarily produces computer and video tape. Servicing of Memorex products abroad is handled through subsidiaries managed by nationals of the countries in which they're located.

"We ought to look at the total world as a market and my feeling is we ought to try to participate on roughly the same basis in every market we serve," comments Mr. Wilson. "The fact is the U.S. market for our type of products has been quite large in relation to the rest of the world, but the rest of the world is growing faster," he adds. "So as those markets outstrip our own, we would expect to see that shift take place and someday the U.S. ought to be a substantially smaller portion of our market than it currently is."

IBEC's credit rating

FRANKFURT, Feb. 7.

THE COMECON-OWNED International Bank for Economic Co-operation (IBEC) is unlikely to be able to raise any more syndicated Euromarket credits until the question of its legal status as an international institution is cleared up, Mr Hans-Joachim Schreiber, Dresdner Bank managing board member, said to-day.

But the failure of IBEC's $200m syndicated credit to come to fruition because of a London legal opinion over its status, has not harmed IBEC's credit rating nor that of its larger sister bank, the International Investment Bank (IIB) for which Dresdner managed a $600m. Eurocredit last year, he told agency reporters.

Bank of America NT and SA, as lead manager for the proposed IBEC credit, said in London on January 26 that the loan would not be completed because of technical difficulties regarding documentation.

These represent a legal opinion that under international law IBEC, as an international organisation with no legal relationship with England (under whose laws the credit would be arranged), is not a "legal personality" able to sue or be sued before an English court, Mr. Schreiber said.

Dresdner Bank was not involved in the IBEC credit but has been investigating the technical ground for its abandonment because of possible repercussions on its IIB credit.

Mr. Schreiber, who is Dresdner's board member responsible for international money operations, said legal difficulties over the IBEC credit would not have arisen if the credit had been drawn up under German or Luxembourg law.

In those countries, the law would look at IBEC's status under civil law as a partner in a contract, rather than its status under international law. Under civil law there is no doubt as to the legal personality of the bank, he said.

But for the moment it would be better to wait for a clear cut international ruling that IBEC's legal status as a borrower is acceptable before any further syndicated credit for this bank is arranged, he said.

Mr Schreiber said that IBEC, which is Comecon's short term financial bank, like the IIB has been doing business with international banks for years and will carry on doing so.

On a *de facto* basis there is no question of its acceptability as a borrower, he said.

Since the Bank of America announcement Dresdner has fully investigated the legal basis of its $600m. IIB credit, which like most Euromarket syndications, was arranged under English law, with Dresdner Bank London branch agent bank. "There are absolutely no legal *problems* here," he said.

Reuter

Trading results

Net turnover of Fr.5.84bn. (*Fr.4.96bn.*) in 1976, is reported by Carrefour SA, the French hypermarket group.

Avions Marcel Dassault-Breguel Aviation SA reports net turnover, Fr.5.93bn. (Fr.4.26bn.) in 1976, reports

Swedish Fund lags behind

BY WILLIAM DULLFORCE

STOCKHOLM, Feb. 7.

SWEDEN'S National Pension Fund performed less well in its stock exchange dealings last year, with the market value of its share portfolio declining 4 per cent. against a 1 per cent. rise in the Affarsvarlden General Index for the Stockholm Exchange. In 1975 the Fund's investment managers beat the index by 1 per cent.

Last year parliament authorised the Fund to use a further Kr.500m for stock exchange investments, bringing the total available to Kr.1bn. (£138m.). At the year end the Fund's share portfolio was worth Kr 704m compared with a purchase value of Kr.728m. It had cash reserves of Kr.109m and Kr.200m remained undrawn of the Kr.1bn. authorised.

The Fund had holdings in 27 Swedish companies compared with 23 at the beginning of the year. The most notable changes were the increases in its Atlas Copco holding and the sale of its Swedish Match stock.

The fall in the price of the Volvo shares which made up 25 per cent. of the portfolio at the beginning of the year was an important factor in the Fund's poorer performance. The value of the Volvo holding was Kr.84.5m. at the end of 1976 compared with Kr.111.4m at the end of 1975 and a purchase value of Kr.122.3m.

The Fund had dividend earnings last year of Kr.16.7m. (1975: Kr.10.5m.) and interest income of Kr.9m. (Kr.12.3m.). Stock dealings more or less cancelled each other out. After tax of Kr.8.8m (Kr.10.6m.) the Pension Fund made a net profit of Kr.15.3m. (*Kr.16.5m.*) from its stock exchange investments

SELECTED EURODOLLAR BOND PRICES MID-DAY INDICATIONS

STRAIGHTS	Bid	Offer
Alcan 9½pc 1988	104½	105
Australia 8½pc 1981	101	101½
Bowater 9½pc 1988	102	102½
Can. N. Railway 8¾pc 1986	100¾	101½
Credit National 8¾pc 1986	98¾	99¼
Denmark 8¾pc 1984	99½	100½
ECS 9½pc 1986	102¾	103½
EIB 8¾pc 1988	100½	101¼
ERAP 9¾pc 1985	103	103½
Esso 8pc 1986 Nov.	102½	103½
Eurofima 8¾pc 1983	102½	103¼
Granges 9½pc 1983	101¼	102
Hamersley 9¼pc 1992	100¾	101¾
ICI 8½pc 1987	97	97½
ISE Canada 9¼pc 1986	103½	104
Macmillan Bloedel 9pc 1992	97½	98½
Massey Ferguson 9¼pc 1991	103½	104
Michelin 8¼pc 1988	101¼	102½
Midland *Int. Fin. 8¾pc* 1986	99¾	100½
MODO 9pc 1986	98¾	99½
Natl. Westminster 9pc 1986	101½	102½
Newfoundland 8¾pc 1989	100	101
Norges Kom. Bk. 8¾pc '81	98¾	99½
Norpipe 9½pc 1986	103	103½
Norsk Hydro 9pc 1991	102½	103
Norsk Hydro 8¾pc 1992	97½	98½
Oslo 9pc 1988	101½	102½
Ports Autonomes 9pc 1991	99½	100
Prov. Quebec 9pc 1994	99	100
Quebec Hydro 8¾pc 1986	99½	99
Prov. Saskatch. 8½pc 1986	102	102½
Skand Enskilda 9pc 1991	100¾	101½
SKF 8pc 1987	98¾	100
Volvo 9½pc 1988	102½	103
NOTES		
Australia 8¼pc 1983	102	102½
Australia 8½pc 1986	101½	102½
Dow Chemical 8pc 1986	102	103½

	Bid	Offer
Enso Gutzeit 8½pc 1986	98	98½
EEC 8½pc 1992	100½	101½
Gotaverken 8pc 1982	100½	101½
Kockums 8pc 1983	99½	100½
Michelin 8½pc 1983	101½	102½
Montreal Urban 8½pc 1981	99½	100½
Natl. Coal Board 8pc 1981	101	101½
New Bruns. Prov. 8½pc '83	102½	103½
New Zealand 8½pc 1986	100	100½
Nippon Fudosan 8pc 1981	100	100½
S. of Scot. Elec. 8½pc '81	99½	100
Swedish State Co. 7½pc '82	99½	100½
FLOATING RATE NOTES		
BCO Brasil 6½ min. 1982	97½	98½
BNP *5¾ min. 1983*	98½	99½
BNP 7 min. 1983	100¾	101½
IBJ 6 min. 1982	98	99½
Lloyds 7½ min. 1983	100¾	101½
LTCB of Japan 6½ min. '81	99½	100
Midland 7½ min. 1983	101½	102
D-MARK BONDS		
Austria 7pc 1987	99	99½
Beecham 8pc 1983	102	102½
Copenhagen City 7½pc 1986	98	98½
EIB 6½pc 1984	98	99
ICI 7½pc 1986	99½	100½
Int. Am. Dev. Bk. 7pc 1987	97	97½
New Zealand 7½pc 1986	102½	103½
World Bank 7pc 1987	97½	98½
Source: White Weld Securities.		
CONVERTIBLES		
American Express 4½pc '87	82½	84½
Ashland 5pc 1988	96	98
Beatrice Foods 4½pc 1992	97	99
Beatrice Foods 4½pc 1992	111	113
Borden 5pc 1992	103½	105½

	Bid	Offer
Broadway Hale 4½pc 1987	79	81
Canon Camera 7½pc 1989	200	
Carnation 4pc 1987	85½	87½
Chevron 5pc 1988	134½	136½
Dart 4½pc 1987	84½	86½
Eastman Kodak 4½pc 1988	96½	98½
Economic Labs. 4½pc 1987	79½	81½
Fed. Dept. Stores 4½pc '85	107	109
Firestone 5pc 1988	82	84
Ford 6pc 1986	99	101
Ford 5pc 1988	90½	92½
General Electric 4½pc 1987	85½	87½
Gillette 4½pc 1987	78	80
Gould 5pc 1987	118	120
Gulf and Western 5pc 1988	87	89
Harris 5pc 1992	105½	107½
Honeywell 6pc 1986	94½	96½
ITT 4½pc 1987	83	85
Komatsu 7½pc 1990	105	107½
J. Ray McDermott 4½pc '87	122	124
Mitsubishi Elec. 7½pc 1991	108	110
Mitsui 7½pc 1990	107	109
J. P. Morgan 4½pc 1987	104	106
Nabisco 5½pc 1988	99	101½
Owens Illinois 4½pc 1987	113	115
J. C. Penney 4½pc 1987	82	84
Pioneer 6½pc 1988	226	
Raymond 8½pc 1989	128	130
Revlon 4½pc 1987	103	105
Reynolds Metals 5pc 1988	94½	96½
Sperry Rand 4½pc 1987	96½	98½
Squibb 4½pc 1987	82	84
Texaco 4½pc 1988	81½	83½
Toshiba 6½pc 1990	107	108½
Union Carbide 4½pc 1982	101½	103½
Warner Lambert 4½pc 1987	85	87
Warner Lambert 4½pc 1988	80	82
Xerox 5pc 1988	81	83

Source: Kidder, Peabody Securities.

2nd MARCH 1977 REDEMPTION

PROVINCE OF NEWFOUNDLAND

U.S. $20,000,000 8½% Bonds 1986

REDEMPTION OF BONDS

The Province of Newfoundland announces that for the redemption period ending on 2nd March 1977 it has purchased bonds of the above loan for U.S. $659,000 nominal capital which have been duly cancelled.

The nominal amount of bonds to be drawn for redemption at par on 2nd March 1977 to satisfy the current redemption obligation is accordingly U.S. $941,000 and the nominal amount of this loan remaining outstanding *after 2nd March 1977 will be U.S. $16,400,000.*

DRAWING OF BONDS

Notice is accordingly hereby given that a drawing of bonds of the above loan took place on 20th January 1977 attended by Mr. Keith Francis Croft Baker of the firm of John Venn & Sons, Notary Public, when 941 bonds for a total of U.S. $941,000 nominal capital were drawn for redemption at par on 2nd March 1977.

The following are the numbers of the bonds drawn:—

5	11	37	120	141	150	165	178	181	197	201	231	234	255	261	280	283	287	303	307
353	382	412	419	455	472	480	501	503	539	574	578	594	657	696	707	725	728	743	745
775	788	789	792	801	830	839	871	883	906	911	954	971	1025	1026	1043	1052	1055	1105	1206
1209	1220	1227	1243	1249	1251	1261	1310	1364	1371	1382	1418	1447	1450	1517	1538	1564	1609	1635	1689
1691	1701	1721	1722	1746	1775	1804	1845	1846	1863	1896	1976	1977	1978	2118	2176	2185	2187	2190	2200
2207	2208	2217	2226	2232	2234	2278	2284	2337	2483	2500	2504	2511	2535	2565	2567	2612	2616	2689	2701
2723	2736	2740	2780	2797	2804	2843	2844	2859	2867	2871	2894	2919	2965	2969	2979	2988	3083	3085	3087
3089	3091	3139	3151	3157	3178	3193	3195	3201	3228	3242	3250	3255	3310	3313	3332	3335	3400	3411	3536
3548	3618	3654	3659	3719	3729	3735	3785	3813	3845	3862	3903	3939	3980	4036	4045	4049	4081	4084	4110
4125	4137	4254	4256	4322	4378	4401	4409	4442	4504	4537	4597	4617	4648	4654	4666	4669	4676	4715	4787
4807	4809	4817	4829	4852	4872	4924	4967	5005	5043	5046	5061	5079	5089	5097	5099	5101	5115	5204	5228
5266	5289	5290	5307	5310	5353	5357	5399	5407	5416	5482	5525	5530	5554	5557	5572	5598	5614	5674	5703
5743	5746	5762	5773	5789	5802	5806	5821	5843	5868	5872	5904	5914	5918	5944	5959	5973	5990	6020	6040
6079	6085	6112	6148	6164	6207	6212	6244	6253	6282	6292	6294	6353	6380	6393	6420	6439	6477	6485	6492
6513	6540	6561	6562	6578	6585	6595	6621	6719	6738	6743	6745	6805	6827	6830	6856	6883	6892	6895	6920
6957	6961	7003	7014	7026	7050	7075	7085	7122	7161	7202	7217	7231	7232	7239	7258	7292	7337	7356	7386
7389	7391	7416	7423	7432	7433	7434	7435	7467	7495	7498	7516	7528	7572	7573	7584	7610	7626	7646	7708
7716	7729	7771	7772	7787	7802	7806	7809	7812	7861	7873	7879	7884	7896	7907	7921	7925	7926	7982	8022
8074	8087	8095	8120	8130	8138	8171	8189	8249	8260	8267	8301	8302	8308	8351	8369	8384	8403	8429	8456
8467	8501	8503	8512	8569	8579	8587	8606	8654	8719	8727	8754	8760	8761	8778	8823	8862	8878	8884	8902
8949	8957	8984	8992	8994	8996	9005	9009	9040	9079	9098	9119	9120	9146	9148	9167	9214	9215	9231	9276
9345	9353	9363	9367	9410	9454	9485	9505	9514	9582	9593	9616	9630	9632	9655	9656	9659	9673	9688	9706
9711	9789	9805	9821	9833	9838	9865	9871	9902	9934	9946	9964	9966	9973	10001	10015	10019	10025	10045	10047
10066	10069	10106	10120	10136	10176	10193	10237	10242	10245	10246	10250	10252	10261	10279	10323	10327	10332	10355	10357
10397	10444	10457	10463	10512	10518	10528	10562	10580	10594	10610	10636	10641	10649	10652	10663	10681	10684	10688	10708
10731	10742	10772	10774	10785	10795	10851	10882	10901	10962	10967	10982	11011	11054	11055	11111	11118	11123	11141	11143
11150	11156	11206	11212	11214	11228	11234	11265	11326	11351	11362	11372	11374	11443	11496	11516	11577	11578	11583	11598
11636	11641	11648	11654	11669	11746	11748	11751	11803	11811	11829	11860	11872	11880	11920	11961	11975	12007	12017	12054
12082	12086	12100	12136	12151	12179	12200	12244	12321	12323	12336	12339	12356	12357	12377	12378	12397	12450	12488	12494
12512	12522	12542	12547	12553	12630	12650	12664	12701	12723	12746	12747	12759	12761	12775	12785	12807	12813	12818	12829
12832	12833	12880	12882	12894	12906	12909	12954	13020	13028	13045	13061	13065	13068	13071	13119	13126	13143	13156	13164
13206	13211	13223	13251	13277	13307	13314	13387	13390	13391	13405	13412	13425	13430	13435	13453	13474	13521	13560	13562
13614	13657	13666	13684	13733	13736	13738	13739	13785	13793	13828	13854	13901	13914	13932	13933	13939	13954	13973	13987
13991	14003	14005	14025	14030	14054	14070	14160	14207	14234	14243	14281	14297	14318	14320	14364	14380	14452	14472	14473
14481	14486	14501	14511	14539	14575	14583	14596	14602	14614	14625	14638	14659	14667	14715	14716	14763	14778	14783	14800
14824	14833	14837	14889	14915	14922	14947	14958	14974	14999	15039	15040	15057	15066	15077	15106	15114	15131	15147	15165
15191	15208	15262	15365	15384	15385	15391	15403	15411	15436	15462	15464	15475	15510	15517	15552	15562	15607	15609	15623
15643	15653	15701	15709	15713	15719	15744	15757	15788	15799	15803	15812	15847	15881	15889	15899	15918	15946	15984	16028
16063	16096	16172	16177	16183	16190	16196	16197	16210	16265	16288	16304	16306	16307	16322	16378	16385	16390	16417	16443
16447	16474	16548	16581	16607	16634	16677	16694	16741	16777	16796	16828	16829	16863	16870	16877	16880	16887	16889	16939
16976	16990	17007	17026	17038	17042	17052	17079	17087	17106	17131	17132	17143	17157	17181	17247	17312	17329	17363	17395
17407	17419	17431	17457	17479	17492	17508	17528	17572	17611	17614	17636	17639	17641	17656	17700	17716	17741	17743	17765
17772	17809	17812	17818	17877	17884	17900	17902	17951	17953	17970	17981	17984	17985	18009	18030	18035	18055	18068	18118
18125	18144	18158	18162	18207	18222	18275	18277	18286	18307	18308	18344	18350	18364	18374	18390	18405	18423	18442	18471
18493	18515	18522	18528	18531	18558	18580	18642	18656	18676	18678	18680	18693	18728	18774	18782	18783	18791	18827	18832
18835	18836	18850	18856	18868	18945	18956	19025	19071	19122	19152	19158	19204	19258	19274	19318	19345	19394	19397	19422
19436	19471	19472	19488	19598	19601	19690	19693	19718	19729	19747	19775	19784	19819	19883	19905	19922	19927	19957	19958
19998																			

Witness: K.F.C. Baker, Notary Public.

The above bonds may be presented for redemption at par on or after 2nd March 1977 at the offices of the paying agents named on the coupons for payment in the manner specified in Condition 5 of the Terms and Conditions of the bonds. Each of these bonds when presented for redemption must bear the coupon dated 2nd March 1978, and all subsequent coupons, otherwise the amount of the missing coupons will be deducted from the sum to be repaid.

Principal Paying Agent: N. M. Rothschild & Sons Limited, New Court, St. Swithin's Lane, London EC4P 4DU.

8th February 1977

INTERNATIONAL FINANCIAL AND COMPANY NEWS

Turnover rise checked at Hoffmann-La Roche

BY JOHN WICKS

ZURICH, Feb. 7.

DUE TO a loss of potential income of some 6 per cent. as a result of Swiss franc appreciation, group turnover of the Hoffmann-La Roche concern will last year have risen by less than the 10 per cent. growth rate which had been anticipated at the start of 1976. Profit increased more slowly than sales. This is stated in an interview with the Zurich weekly paper "Schweizerische Handels-Zeitung" by Dr. Alfred Hartmann, managing director of the Swiss parent company F. Hoffmann La Roche and Cie. Ag, Basle.

Pharmaceutical sales in Swiss franc terms showed only a modest increase last year within the group total and this sector is expected to have had a smaller profit than in 1975 due to the large-scale blocking of pharmaceutical end prices on world markets. Better progress was recorded for product group which had declined in 1975 and, in volume terms, the so-called fine chemicals (vitamins, flavours and fragrances, as well as dyes) almost recovered from the 1975 setback.

Hartmann said it was difficult to judge just what effect the Seveso accident in July of last year would have on profits. However, damages were likely to be of a size which would in no way jeopardise the group. Cash flow was higher in 1976 than in the previous year, though Hartmann was unable to specify by how much. In 1975, cash flow of the affiliated Roche and Sapac groups had declined to SwissFrs.743m. (Sw.Frs.791.6m.) including joint net income down to Sw.Frs.455.1m. (Sw.Frs.521.7m.), after a fall in sales to Sw.Frs.4.75bn. (Sw.Frs.5.04bn.).

In the current year, he forecast that group investments would be at least at the 1976 level; this had been rather above the previous year's figure of Sw.Frs.643.9m. capital expenditure. Hartmann disclosed that a decision might be made towards the end of 1977 on a new Vitamin C plant. This could be sited in Switzerland, France, Germany or Italy, he said.

ASEA profits well ahead

BY OUR OWN CORRESPONDENT

STOCKHOLM, Feb. 7.

ASEA, the Swedish electrical engineering group, made a pre-tax profit of Kr.615m. (£84m.) last year, an increase of Kr.123m. over the previous year, according to the preliminary figures issued to-day. Group sales rose by 7 per cent. to Kr.8.4bn. (£1.15bn.).

The operating profit after cost-calculated depreciation was 30 per cent. up at Kr.685m., coming out at 8.2 per cent. of turnover compared with 6.7 per cent. Net interest costs rose from Kr.97m. to Kr.103m. and a 1976 foreign currency gain of Kr.24m. was turned into a loss of Kr.7m.

The parent company reports an increase in pre-tax earnings from Kr.253m. to Kr.356m. before extraordinary items, which were Kr.134m. in 1975 against a loss of Kr.36m. last year. The parent company's net profit thus falls from Kr.247m. to Kr.120m. The Board proposes to pay an unchanged dividend of Kr.5 per share.

The group order intake in 1976 was Kr.8.55bn. or Kr.200m. lower than that of the previous year. The figure conceals a declining order volume for most of the parent company's products.

The ASEA Board considers it to be more difficult than usual to forecast sales and earnings developments because of the prevailing uncertainty in the world.

EUROBONDS

Norsk Hydro disappoints

BY BERNARD SIMON

YESTERDAY was a typically dull Monday on the Euromarkets. There was quiet to moderate trading in the dollar sector, although straight bond prices were marked fractionally higher following New York's lead. Floating rate issues were steady on very low turnover. Demand came mainly from professionals, but one source claimed that Swiss investors were also showing some interest.

One disappointment was response to Norsk Hydro 8¼ per cent. 1992 bonds, traded in the secondary market for the first time yesterday. Closing quotations for this good quality issue were 97¾-98¼, compared with an issue price of 99½. This stock now yields an attractive 8.71 per cent. and is considered to be undervalued.

The Canadian dollar sector was very quiet. "I wish I hadn't come to the office" was the comment of one dealer.

The dearth of fireworks yesterday is partly explained by potential buyers' desire to hold off until to-day when several interesting new issues will be priced. One is the European Coal and Steel Community's $50m five-year offering. Response has apparently been slow and this will be reflected in the issue price. However, a change in the indicated 7¼ per cent. coupon is unlikely.

Also entering the market will be the C$50m. seven year issue of Beneficial Finance Corp. This will be carefully watched in view of recent unsettled conditions in the Canadian dollar sector.

There have been conflicting reports on response to Venezuela's $100m. bullet issue, also due for pricing this week.

A new Eurodollar issue was announced yesterday. A seven-year $20m debenture issue is to be floated by Great Lakes Paper, a supplier of forestry products and subsidiary of Canadian Pacific Investments. Lead manager is Orion Bank. Terms have yet to be settled, but an 8¾ per cent coupon is likely.

Meanwhile, a senior economist of Kidder Peabody has forecast a "rather sharp" rise in both U.S and Eurodollar interest rates this year. Speaking at an investment seminar in London yesterday, Mr. Robert Chandross predicted that most short-term domestic rates will be about 200 base points higher in the fourth quarter of 1977 than at the end of last year. However, he expects banks' prime rates to move up more slowly.

Should the Federal Reserve move to offset the increase in money supply following the payout of proposed tax rebates, Mr. Chandross notes that a major part of the rise will occur between April and June.

He also pointed out that as a result of the stimulus given by the Carter package, private demand for credit will be strengthening at much the same time as the Treasury steps up its borrowings on the Money and capital markets. The latter's funding requirement this year will be around $75bn., only $10bn below the record volume raised in 1975.

Long-term rates are expected to rise in response both to demand pressures and a likely increase in the inflation rate.

KILLINGHALL (RUBBER) DEVELOPMENT SYNDICATE

MR. ADOINSELL'S STATEMENT

The Sixty-seventh Annual General Meeting of Killinghall (Rubber) Development Syndicate, Limited, was held on February 7th in London, Mr. J. Addinsell, the Chairman, presiding.

As expected, the lifting of restrictions on the use of stimulants in October 1975 resulted in a better crop for the year ended 30th June 1976, at 327,043 kilos, a useful 5 per cent. improvement on that for 1974/75.

Tin tribute, our major source of income, was £97,191. The Chairman of Killinghall Tin has reported on discussions which his board have been having with their sister company, Hongkong Tin and Bumiputra Interests on a scheme involving a merger of interests to exploit ore reserves of the two tin companies and the purchase of a large tin dredge for the purpose. Owing to financial considerations, however, the parties to the proposed merger scheme have decided not to proceed with it. Alternative schemes for exploiting the remaining tin deposits in the tin sub-leases are under consideration.

The profit before tax was £137,380. Taxation requires £84,606. The Board recommend a final dividend of 5.139 pence per share, making a total of 6.399 pence for the year. Prospects for the current financial year naturally depend upon the rate of the tin tribute receivable and commodity prices, but with the substantial balance on profit and loss account the maintenance of dividends at their present level is assured.

The report was adopted.

Agents and Secretaries: Harrisons and Crosfield, Limited.

Huels sales rise 17% to DM2.7bn.

BY ADRIAN DICKS

BONN, Feb. 7.

HUELS, the West German chemicals group, announced a 17.3 per cent. increase in its turnover to DM2.7bn. in 1976, accompanied by what the chairman, Herr Karl Moenkemeyer, described as "clearly improved" profits, though final figures for last year are not yet available. He indicated that the management would delay any decision on a recommended dividend for 1976 until a clearer idea of business during the current year could be obtained.

In spite of the satisfactory overall development in business last year, Herr Moenkemeyer said Huels had not entirely fulfilled hopes, and had not seen its position restored to the pre-recession levels of 1974. Overseas business, however, showed an increase in turnover of 23.7 per cent., or almost twice as much as the 12.3 per cent. recorded on the home side. Exports and overseas business now account for 46.3 per cent. of turnover, up from 44 per cent. in 1975.

Behind Huel's caution in assessing the current year's prospects lies a distinct slowing down in growth during the second half of 1976, and in particular during the final quarter. Capacity use is now only around the 71 per cent. mark, the chairman said.

The company is none the less planning a substantial increase in investment, from DM229.7m. in 1976 to DM 326.7m. this year.

● A rearrangement of the stakes in Chemische Werke Huels AG held by Bayer and Veba could serve to increase the Huels group's financial strength and enable it to develop further, Mr. Karl Moenkemeyer stated.

However, such plans are in an embryonic stage and Huels is not in a position to comment on the talks being held between its major stakeholders, he added.

Last week Bayer and Veba, which have direct 25 per cent. stakes in Huels, said they were discussing a possible rearrangement of their Huels interests.

Improved earnings at Voest-Alpine

BY PAUL LENDVAI

VIENNA, Feb. 7.

VOEST-ALPINE, the nationalised iron and steel concern, revealed a substantial improvement in its earnings position last year in the report just submitted to the supervisory board, which in turn gave the go ahead signal for major investment projects amounting to Sch.3.3bn. (£114m.) this year.

Though no turnover figures were given, probably in view of the delicate phase of the collective bargaining negotiation with the metalworkers' union, it was stressed that the profit and loss account was "balanced." In 1975, the company had to use up reserves to cover a Sch.660m loss.

In 1976, particularly during the first three quarters and primarily due to the performance in heavy engineering, sales showed a considerable improvement. As a result of the success in these sectors, the share of exports rose from 61 per cent to 64 per cent. of the turnover total, and the stake of the manufacturing and engineering sectors from 30 per cent. to one-third of the sales.

The company, with a production staff of some 43,000 and a turnover of Sch.22.5bn in 1975 occupied a pre-eminent position in the Austrian economy.

Including the special steel subsidiaries and other affiliated companies, the concern had a total employment of over 80,000 and a turnover of Sch 38.4bn. in 1975. Thus the news that 1976 was a year without operating losses is an event of some importance for the entire Austrian economy.

Investments of the company totalled Sch.2.8bn. in 1974, Sch 2.55bn in 1975, and a record figure of Sch.5.6bn. last year.

Meanwhile, a company spokesman declined to reveal the price Voest-Alpine paid for taking over a 49 per cent interest in the Korj Engineering company of Dusseldorf from the German Kloeckner Werke.

As before, the majority interest in the DM2m capital is held by Korj Stahl AG, the parent company. The engineering outfit, however, is regarded by Voest as an important step towards diversifying and expanding the company's industrial engineering activities. Korj has an exclusive licence of the Midrex Corporation for the erection of pelletising plants in Europe, Africa and the Middle East.

Voest previously co-operated with the U.S. Armco concern in this field. The licence arrangement with the U.S. company has now been terminated.

The Austrian steel concern has recently been awarded a number of major engineering contracts in the Third World. During the past four years, the engineering arm of Voest increased its share from 20 to 33 per cent. of a much larger turnover, and the acquisition of the 49 per cent. interest in the German engineering firm is clearly part of this long-term production strategy.

Recently Voest-Alpine also concluded an option deal with the U.S Mining corporation, S.T Joe Minerals Corporation, under which the Austrian firm can take over fully or partly three coal subsidiaries in the U.S. for a purchase price of $22m. or $45m respectively. A decision must be taken prior to August 1.

Through such joint ventures the Austrian concern seeks to broaden its sources of coking coal, which it has so far primarily imported from Eastern Europe.

AMERICAN NEWS

Earnings turning lower at Lockheed

NEW YORK, Feb. 7.

LOCKHEED AIRCRAFT Corporation reports fourth quarter net earnings of 50 cents a share (68 cents). For the full year 1976, total net earnings were $38.7m. or $3.10 a share ($45.3m. or $3.86).

Sales for the year were $3.2bn. ($3.39bn.), and sales for the fourth quarter $773m. ($862m.).

The company said it expects its outside accountants to issue a qualified opinion on 1976 results because of deferred charges on the Tri-Star jet programme, certain matters relating to ship construction disputes and the possible effect of disclosures of commissions and other payments.

Affecting 1976 earnings were $50m. in amortisation relating to the TriStar and higher taxes on foreign earnings.

Lockheed said it recorded $125m. in losses on the TriStar programme for the year compared with $84m. in 1975. TriStar deliveries totalled 16, down from 25 the previous year.
AP-DJ

Borg-Warner sells shares to Bosch

THE FINAL agreement is reported to have been signed recently on the sale by Borg-Warner, the U.S. industrial concern, of two million of its shares to the Stuttgart based West German group, Robert Bosch GmbH. The two million shares represent slightly less than 10 per cent. of ordinary issued stock and the sale will increase Borg-Warner's outstanding common stock on a fully diluted basis to 21.4 million shares.

Studebaker peak

STUDEBAKER-WORTHINGTON, Inc., announced earning per share from continuing operations of $6.57 for 1976, the highest in its history reports the company. This represents an 87 per cent. increase over the $3.51 per share earned in 1975. Net income of $50.1m., reflecting a $360,000 net gain from discontinued operations, was also a record, and 68 per cent. higher than 1975 net income of $29.9m. Net sales for the year of $1.2bn were 14 per cent. greater than in 1975. Each consolidated continuing operation reported increases in sales, income before income taxes and contribution to Studebaker-Worthington earnings per share.

Thomson hopes for 20% gain

By David Curry

PARIS, Feb. 7.

THE FRENCH telecommunications concern Thomson CSF, which is raising Frs.330m. by way of a convertible loan, expects a 20 per cent. profits gain over 1975 in spite of the disposal at a loss of its 16 per cent. stake in the French subsidiary of Ericsson to its associate Thomson-Brandt. The disposal of the Ericsson interest was part of a deal to "frenchify" the companies involved in the expansion of this country's telecommunications network, a deal which also saw Thomson CSF acquire a 50.2 per cent. stake in the former ITT subsidiary Le Materiel Telephonique.

Turnover of the company in 1976 is put at around Frs.5.2bn., an improvement of around 26 per cent., which falls to 22 per cent. on the basis of comparable statistics. It exported some 51 per cent. of its sales.

Group turnover was some 17 per cent. to the good at Frs.6.2bn., to which Le Materiel Telephonique added around Frs 1.7bn.

Thomson-CSF invested some Frs.270m. last year in hardware.

LKAB to show KR360m. loss

By Our Own Correspondent

STOCKHOLM, Feb. 7.

LKAB, the Swedish state-owned iron mining concern, will show a pre-tax loss of Kr.360m. (£49.5m.) for 1976 after cost-calculated depreciation but excluding inventory gains, according to the prospectus it has just issued for a Kr.150m. domestic bond issue bearing a 9¾ per cent. coupon. On the same basis of calculation the concern more or less broke even in 1975.

Little mercy for Japan CB makers

BY YOKO SHIBATO

TOKYO, Feb. 7.

JAPAN'S Citizen Band (CB) transceiver industry has been jolted recently by a wave of bankruptcies and the promise of more to come. Ebina Electric, one of the last into the CB boom, was the first out last October, and it was followed by Teleotec in December.

Since then, Japan's third largest maker, Interworld Communications, has had to shut down its production line which, at its peak, turned out 170,000 units a month. And in late January another leading CB exporter, Kiyo Ltd., went into receivership. About the same time, several much smaller CB-makers went bust.

"It is time for natural selection," says a spokesman for Hitachi Ltd. "Companies like us, with sufficient capital and the best technology, will take over the industry. The others will fail."

Paradoxically, it is the U.S. Federal Communications Commission's (FCC) decision to expand the number of CB channels from 23 to 40 as of January 1 that has cut the ground from under many Japanese CB makers.

While it lasted, the 23-channel boom had a big impact on Japan. Estimates for the first 11 months of 1976 put Japan's total CB exports at around 16m. sets, and final figures for the first half put the dollar value of the 7.25m. sets sold at about Y110bn. ($360m.), not far from Japan's earnings on its growing colour television exports during the same six months ($430m.).

The United States took about 80 per cent of all Japanese CB exports in 1976, and that accounted for most of Japanese output since strict laws on the use of airwaves in Japan prevents the private use of CB transceivers. And since the American market went from nowhere to well over 10m. sets bought in 1976, Japanese makers followed suit. Production doubled in 1975, then doubled again, and exports to the U.S. were in excess of 12m. sets last year.

By December, less than three years since the boom began, CB dealers in the U.S. had piled up an estimated 4m. to 6m. 23-channel tranceivers in their inventories, and sales fell to under one-third of their peak level. Price-cutting had already begun in late summer, and Japan's average f.o.b. export price in 1976 fell from $100 in January to $20 in December.

At the time, company analysts expected that retained earnings for most CB makers would have been sufficient to tide the companies over into a forthcoming 40-channel boom. Not so. Of an estimated 100 companies in the industry, about half have or are expected to collapse as a result of 40-channel citizens band radio.

Those makers that wanted to make the switch to 40-channel CBS had to invest large sums in new equipment and technology, primarily because the FCC ruling also carried strict standards for quality control—standards which were largely absent during the 23-channel boom. Cybernet Electronics Corporation, Japan's top CB maker borrowed Y6.5bn. from the bank to switch production, and is having to cut by more than half its production in this quarter. Hitachi Ltd., with sample resources from other appliance departments, has also cut production by half while making the switch.

FINANCE FOR INDUSTRY LIMITED

(incorporated in England under the Companies Acts 1948 to 1967 – Registered No. 1142830)

A copy of this Prospectus, having attached thereto the documents specified below, has been delivered to the Registrar of Companies for registration. Application has been made to the Council of The Stock Exchange for the £50,000,000 14 per cent. Unsecured Loan Stock 1983 ("the Stock") of Finance for Industry Limited ("the Company") now being issued to be admitted to the Official List. **The application list for the Stock now being issued will be opened at 10 a.m. on Friday, 11th February 1977 and will be closed at any time thereafter on that day.** The Stock qualifies as a trustee investment under the terms of Part II of the First Schedule to the Trustee Investments Act 1961. Transfers of the Stock will be registered free of charge. This Prospectus contains particulars given in compliance with the Regulations of the Council of The Stock Exchange for the purpose of giving information to the public with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information given and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

Issue of

£50,000,000 14 per cent. Unsecured Loan Stock 1983

of Finance for Industry Limited

at £99.50 per centum

payable as follows:			
	On application	£10.00	per centum
	On 14th March 1977	£30.00	per centum
	On 3rd May 1977	£59.50	per centum
		£99.50	per centum

Gross redemption yield: £14.12 per cent.

Interest will be paid half-yearly on 20th June and 20th December.

The Stock will be guaranteed as to payment of principal and interest by Industrial and Commercial Finance Corporation Limited ("ICFC") and Finance Corporation for Industry Limited ("FCI"), both wholly owned subsidiaries of the Company.

THE GOVERNOR AND COMPANY OF THE BANK OF ENGLAND are authorised to receive applications for the Stock, the issue of which was authorised by a resolution of a Committee of the Directors of the Company passed on 7th February 1977.

Directors

THE RT. HON. LORD SEEBOHM, T.D.
(Chairman),
5 Lowndes Lodge, Cadogan Place,
London, S.W.1.

LAWRENCE VICTOR DOLMAN TINDALE, C.B.E., C.A. *(Deputy Chairman)*,
3 Amyand Park Gardens,
Twickenham, Middlesex.

DAVID VALENTINE ATTERTON, Ph.D.,
The Tan House, Old Warwick Road,
Lapworth, Solihull, West Midlands.

SIR HENRY ALEXANDER BENSON, G.B.E., F.C.A.,
9 Durward House, 31 Kensington Court,
London, W.8.

THE HON. JOHN DAWSON ECCLES
Moulton Hall, Richmond, Yorkshire.

SIR ERIC FAULKNER, M.B.E.,
Chart Cottage, Seal Chart,
Nr. Sevenoaks, Kent.

HUGH JON FOULDS,
77 Loudoun Road, St. John's Wood,
London, N.W.8.

PAUL FRANCIS GLYNN HILDESLEY
(General Manager),
30 Hyde Park Gardens, London, W.2.

SIR MICHAEL MILNE-WATSON, C.B.E.,
39 Cadogan Place, London, S.W.1.

SIR JOHN PARTRIDGE, K.B.E.,
Flat 601, Carrington House, Hertford Street,
London, W.1.

SIR FRANCIS EDWIN PRESCOTT SANDILANDS, C.B.E.,
53 Cadogan Square, London, S.W.1.

ROBERT COURTNEY SMITH, C.A.,
North Lodge, Dunkeld, Perthshire.

Secretary and Registered Office
BRYAN LEONARD MANN
(Solicitor),
91 Waterloo Road, London, SE1 8XP.

Auditors and Reporting Accountants
WHINNEY MURRAY & CO.,
Chartered Accountants,
57 Chiswell Street, London, EC1Y 4SY.

Trustees for the Stockholders
WILLIAMS & GLYN'S TRUST COMPANY LIMITED,
20 Birchin Lane, London, EC3P 3DP.

Solicitors
To the Company:
SLAUGHTER AND MAY,
35 Basinghall Street, London, EC2V 5DB.

To the Trustees:
INCE & CO.,
Knollys House, 11 Byward Street,
London, EC3R 5EN.

Bankers
BANK OF ENGLAND,
Threadneedle Street, London, EC2R 8AH
and
WILLIAMS & GLYN'S BANK LIMITED
67 Lombard Street, London, EC3P 3DL.

Receiving Bankers
BANK OF ENGLAND
New Issues,
Watling Street, London, EC4M 9AA.

Brokers
MULLENS & CO.,
15 Moorgate,
London, EC2R 6BN,
and The Stock Exchange
and
HOARE GOVETT LIMITED
Atlas House, 1 King Street,
London, EC2V 8DU,
and The Stock Exchange.

Registrars for the Stock now being issued
BANK OF ENGLAND
New Change,
London, EC4M 9AA.

SHARE CAPITAL

of the Company

Authorised		*Issued and Fully Paid*
£150,000,000	in shares of £1 each	£89,000,000

LOAN CAPITAL

of the FFI group (as defined in the Accountants' Report)

	Created £	*Issued and outstanding and now being issued* £	£
The Company			
14 per cent. Guaranteed Unsecured Loan Stock 1979	9,000,000	2,025,000	
13 per cent. Unsecured Loan Stock 1981	75,000,000	75,000,000	
			77,025,000
14 per cent. Unsecured Loan Stock 1983 now being issued			50,000,000
			127,025,000
ICFC			
5½ per cent. Debenture Stock 1980/82		10,000,000	
6½ per cent. Debenture Stock 1981/84		10,000,000	
6½ per cent. Debenture Stock 1988/90		10,000,000	
7½ per cent. 'A' Debenture Stock 1989/92		15,000,000	
7½ per cent. 'A' Debenture Stock 1991/94		15,000,000	
9 per cent. 'A' Debenture Stock 1991/94		10,000,000	
			70,000,000
9 per cent. Unsecured Loan Stock 1977	3,500,000	3,157,590	
8½ per cent. Unsecured Loan Stock 1992/97	15,000,000	15,000,000	
			18,157,590
Ship Mortgage Finance Company Limited			
6 per cent. Redeemable Debenture Stock 1983/85		2,000,000	
8 per cent. Redeemable Debenture Stock 1991/93		3,000,000	
			5,000,000
London Atlantic Investment Trust Limited			
5½ per cent. Debenture Stock 1983/86			400,000
			£220,582,590

Other Borrowings and Guarantees

At 12th January 1977 the FFI group had other borrowings outstanding as follows:—

	Repayable within (or by instalments ending within) 5 years £	*Repayable after (or by instalments ending after) 5 years* £
The Company		
Unsecured Bank Loans	44,650,000	—
Deposits — Bank	50,550,000	2,000,000
— Other	187,819,160	9,188,655
Other FFI group companies		
Bank Loans — Secured	6,998,532	3,755,680
— Unsecured	220,000	4,618,439
Bank Overdrafts — Secured	1,257,657	—
— Unsecured	177,986	—
Other Loans — Secured	81,000	4,163,350
Deposits — Bank	8,500,000	—
— Other	800,000	1,000,000

At the same date the FFI group had contingent liabilities totalling £16,932,016, *including £16,245,026 relating to the guarantee of recourse agreements and loans*, and had outstanding acceptances on behalf of customers totalling £378,769.

Included in the figure above for Unsecured Bank Loans of other FFI group companies is an amount of £4,618,439, owing by ICFC to European Investment Bank ("EIB"), under the terms of Finance Contracts dated 18th July 1973 and 28th November 1974. Of this amount £3,096,657 represents foreign currencies converted at the rates of exchange ruling on 12th January 1977. These funds have been used for financing projects in Development Areas. Under the terms of Trust Deeds dated 18th July 1973 and 28th November 1974 supplemental to the Finance Contracts referred to above ICFC holds the securities given by customers for such finance in trust for EIB.

Under an Agreement dated 4th August 1976 (Contract (7) below) the Company has accepted from The European Coal and Steel Community ("ECSC") an unsecured loan facility not exceeding £10 million in sterling or its equivalent in other currencies which will be available for drawing until 31st December 1978. This facility, the first tranche of which, amounting to £2,785,000 in sterling, has been received by the Company, must be used for onward lending to small and medium-sized enterprises in the United Kingdom to finance investment projects approved by ECSC designed to establish new or extend existing businesses capable of assuring the productive re-employment of redundant steel workers and coal miners. The amount owing by the Company to ECSC at 12th January 1977 is included in the figure (£9,188,655) for Other Deposits of the Company repayable after 5 years.

Save as aforesaid and except for intra-group borrowings and guarantees, none of the companies in the FFI group had outstanding at 12th January 1977 any borrowings including bank overdrafts and liabilities under acceptances (other than normal trade bills) or acceptance credits, hire purchase commitments, or (other than in the ordinary course of business) any guarantees or other material contingent liabilities.

HISTORY AND BUSINESS

FINANCE FOR INDUSTRY LIMITED

The Company was incorporated in England on 1st November 1973 as a public company. On 30th November 1973, pursuant to an offer made on 7th November 1973, the Company acquired the whole of the issued share capital of FCI for cash and on the same day it acquired the whole of the issued share capital of ICFC by way of an exchange of shares. The Company now acts as the holding company for ICFC and FCI.

On 12th November 1974, the Bank of England and the London and Scottish Clearing banks, the Company's shareholders, announced that they had made arrangements in co-operation with a range of other financial institutions to expand the Company's capacity to provide, principally through FCI, medium term finance for investment by British industry. The shareholders stated that they would provide £85 million of new share capital as necessary to enable the Company to remain within the borrowing powers under its Articles of Association.

In pursuance of these arrangements, the Company issued, in February 1975, £75,000,000 13 per cent. Unsecured Loan Stock 1981 and, in March 1975, the shareholders subscribed for 25 million new £1 shares in cash at par. In addition, the shareholders agreed (Contract (3) below) to make available to the Company standby facilities currently totalling £400 million. Of these facilities, £300 million is available to support the provision of funds for the Company's medium term variable rate lending and the balance is available to support short term borrowing by the Company necessary to finance the provision of fixed-rate facilities to customers pending appropriate arrangements being made for further issues of loan and share capital.

INDUSTRIAL AND COMMERCIAL FINANCE CORPORATION LIMITED

ICFC was incorporated in England on 20th July 1945 as a private company, and became a public company on 16th March 1959.

ICFC's principal activity is investing, both directly and through subsidiaries, in small and medium-sized industrial and commercial enterprises in the British Isles, by subscribing for or purchasing shares or by making loans. The loans, normally repayable by instalments over periods ranging from 10 to 20 years, are in most cases secured by charges on customers' assets.

ICFC's Head Office is in London, and 18 branch offices are maintained in the British Isles.

At 31st December 1976 the ICFC group (as defined in the Accountants' Report) had investments in 2,156 customers in a wide variety of industries. At that date investments in and financial facilities extended to customers, less provisions, amounted to £178,040,423; of this amount no one customer accounted for more than £1,750,000. Commitments in respect of financial facilities offered to customers by the ICFC group and outstanding at 31st December 1976 were £15,687,000.

FINANCE CORPORATION FOR INDUSTRY LIMITED

FCI was incorporated in England on 19th May 1945 as a public company but became a private company on 29th May 1974.

Prior to its acquisition by the Company FCI's lending policy was to restrict its investment to a small number of larger projects for which finance was not readily obtainable from ordinary market sources.

FCI is now the vehicle for the provision of large scale funds to industry. Finance is made available only on a commercially justifiable basis to any company operating in the United Kingdom for the purpose of productive investment in fixed assets in the United Kingdom, for the development of exports and for supporting working capital. While funding of existing bank facilities is not a prime purpose, it is not entirely excluded where it is desirable to improve the financial structure of the company concerned.

The size of each investment is determined by circumstance but the total that FCI will have at risk in any one company is normally limited to £25 million. Investments will normally take the form of fixed or fluctuating interest loans for periods of 10 years or longer. In appropriate circumstances a convertible element may be included.

In the 12 months ended 31st March 1976 gross investment of FCI totalled £116,115,133; at 31st December 1976 FCI had total investments outstanding, less provisions, of £223,782,783 in 37 companies engaged in such diverse industries as aluminium smelting, brewing, chemical manufacture, food manufacture, general engineering and whisky distilling. Commitments in respect of financial facilities offered to customers by FCI and outstanding at 31st December 1976 were £56,075,000.

OTHER ACTIVITIES

Through its marine subsidiaries the Company provides post-delivery finance for ships built in U.K. shipyards and acquires and owns ships chartered to responsible shipowners. The Company's leasing subsidiaries provide plant and equipment leasing facilities, primarily to small and medium-sized companies. Property investment and the provision of finance for property developments, primarily in industrial premises for small and medium-sized companies, is undertaken through other subsidiaries. The FFI group also offers advisory and management consultancy services.

MANAGEMENT AND STAFF

The activities of the Company and its principal subsidiaries are managed on a divisional basis. The group and divisional managers are supported by staff with the wide range of specialised knowledge and qualifications necessary for investigation of potential customers' businesses, and the experience required for assessment and evaluation of applications for finance.

PROFITS AND ASSETS

The consolidated operating profit of the FFI group for the year ended 31st March 1976 before charging interest and tax and before extraordinary items was, as shown in the Accountants' Report, £51,927,000. Interest on all secured borrowings of the FFI group (£6,754,000) and on all unsecured borrowings of the consolidated subsidiaries other than ICFC and FCI (£221,000) amounted in total to £6,975,000 leaving £44,952,000: after deducting interest of £37,480,000 on unsecured borrowings of the Company, ICFC and FCI, the profits for the year before tax and extraordinary items amounted to £7,472,000.

Interest payable for a full year on the Stock would amount to £7,000,000.

The book amount of the net assets of the FFI group at 31st March 1976, after deducting deferred tax (£19,913,000), minority interests (£2,482,000), secured borrowings (£93,944,000) and all unsecured borrowings of the consolidated subsidiaries other than ICFC and FCI (£738,000), was £449,917,000. At 31st March 1976 unsecured borrowings of the Company, ICFC and FCI amounted to £343,974,000.

For the six months ended 30th September 1976, the unaudited consolidated profit of the FFI group before tax but after charging a special contribution to staff pension fund of £1,000,000, amounted to £4,219,000. The book amount of the net assets of the FFI group as shown by an unaudited balance sheet at 30th September 1976, computed on the basis set out in the preceding paragraph, was £585,276,000. At the same date unsecured borrowings of the Company, ICFC and FCI amounted to £473,536,000.

PURPOSE OF ISSUE

The net proceeds of the present issue of the Stock, estimated to amount to £48,955,000, will be applied in meeting the demand for funds for investment.

It is intended to make further loan stock issues on such terms and in such amounts as circumstances demand. The Company also intends to take advantage of such opportunities as may occur to raise loan monies by other methods.

ACCOUNTANTS' REPORT

The following is a copy of a Report received from Whinney Murray & Co., Chartered Accountants, the Auditors and Reporting Accountants:

57 Chiswell Street,
London, EC1Y 4SY.
7th February 1977.

The Directors,
FINANCE FOR INDUSTRY LIMITED,
91 Waterloo Road,
London, SE1 8XP.

Gentlemen,

We have examined the consolidated accounts of Finance for Industry Limited (FFI) and its consolidated subsidiaries for the period ended 31st March 1974 and the two years ended 31st March 1975 and 1976 and the consolidated accounts of Industrial and Commercial Finance Corporation Limited (ICFC) and its consolidated subsidiaries for the two years ended 31st March 1972 and 1973 and the consolidated balance sheet of ICFC and its consolidated subsidiaries at 31st March 1971; these accounts include accounts of subsidiaries and associated companies audited by other auditors. We have also examined the accounts of Finance Corporation for Industry Limited (FCI) for the two years ended 31st March 1972 and 1973 and the balance sheet of FCI at 31st March 1971 which were audited by other auditors. FFI and its consolidated subsidiaries are hereinafter referred to collectively as the "FFI group" and ICFC and its consolidated subsidiaries are hereinafter referred to collectively as the "ICFC group".

The statements of profit and the balance sheets hereinafter set out are based on the audited accounts after making such adjustments as we consider appropriate. In our opinion these statements and balance sheets, which have been prepared on the historic cost convention, together with the notes thereon, give, so far as is practicable in view of the differing accounting dates of some industrial subsidiaries, a true and fair view of the results of the FFI group, the ICFC group and FCI respectively for the relevant periods and of the state of affairs of the FFI group, FFI, the ICFC group and FCI respectively on the relevant accounting dates.

We have acted as auditors of FFI since 1st November 1973, its date of incorporation, of ICFC since its incorporation on 20th July 1945, and of FCI for the year ended 31st March 1976.

We report as follows:

1. BASIS OF ACCOUNTS OF FFI

ICFC was acquired by FFI on 30th November 1973 on a share exchange basis. FCI was acquired on the same date for a cash consideration. The whole of the retained surplus of the ICFC group, including that attributable to financial associated companies, has therefore been regarded as available for distribution by FFI, while the profits of FCI are only so regarded as from 30th November 1973. In respect of the period ended 31st March 1974, therefore, the profits of ICFC have been brought in for a whole year, while the reserves of ICFC as at 1st April 1973 have been treated as the opening reserves of the FFI group: the profits of FCI are included only as from 30th November 1973.

In these circumstances the profits of the ICFC group and the FFI group are combined in one statement in section 3(a) below, while those of FCI for the two years ended 31st March 1972 and 1973 are set out in section 3(b).

2. ACCOUNTING POLICIES

The principal accounting policies adopted by the FFI group for the preparation of its annual accounts, and previously used by the ICFC group and FCI where applicable, are:

(a) *Consolidated accounts*
The consolidated accounts deal with the state of affairs and results of FFI and its subsidiaries for the period ended 31st March 1974 and the two years ended 31st March 1975 and 1976, and previously of ICFC and its subsidiaries. In respect of each of the two years ended 31st March 1975 and 1976 the results and assets of certain subsidiary companies whose business is of an industrial nature (industrial subsidiaries), which were previously excluded, have been included in the consolidated accounts. The results and assets of the subsidiaries which provide financial and related services (financial subsidiaries) have been consolidated in all the relevant periods. Having regard to the widely diverse nature of the businesses carried on by the industrial subsidiaries their aggregate profits and net assets have been incorporated as a single amount in the consolidated profit statement and consolidated balance sheet respectively: previously the Department of Trade exempted FFI and ICFC, so far as these companies were concerned, from compliance with the provisions of section 150 of the Companies Act 1948 with respect to the submission of group accounts embracing such companies and from the obligations laid down in paragraph 15(4) of Part II of the Eighth Schedule to that Act. Two industrial subsidiaries made up their consolidated accounts to 31st December and one to 31st January. Three other industrial subsidiaries have not been consolidated since the Directors consider the result would be of no real value in view of the insignificant amounts involved.

(b) *Associated companies*
(i) Companies whose business is financial in nature and in which the FFI group has both management involvement and more than 20 per cent. of the equity are treated as financial associated companies (financial associates).
(ii) In respect of each of the two years ended 31st March 1975 and 1976 companies whose business is of an industrial nature and in which the FFI group has both management involvement and more than 20 per cent. of the equity are treated as industrial associated companies (industrial associates). Investments in industrial associates are written down on acquisition to attributable net tangible assets and the attributable post-acquisition *reserves or losses are added to or deducted from the book amount of the* investment. Any further provisions necessary to write down the investments to estimated realisable value are charged against attributable profits.

(c) *Charter hire of ships, rent of plant and equipment and freehold and leasehold property, depreciation and grants receivable*
Income from leasing transactions is taken to revenue as it accrues. Depreciation is generally calculated on a straight line basis over the period of the charter, lease or estimated life of the building, regional and other grants receivable being deducted from cost.

(d) *Plant purchase*
All plant purchase instalments received are treated as repayments of capital until they exceed the sum advanced; subsequent instalments received are treated as revenue.

(e) *Provisions and realisations*
(1) *Years ended 31st March 1975 and 1976*
(i) *Provisions against loss arising from doubtful investments*
In respect of investments and financial facilities exceeding £500,000 specific provisions are maintained by a charge against revenue to take account of possible loss. For investments and financial facilities not specifi*cally provided against, a general provision is maintained by an annual charge* against revenue of 0.6 per cent. of average investments and financial facilities outstanding during the year. The balance of the provision is appraised annually and any material addition required is charged against revenue and any surplus released.
(ii) *Provisions in respect of companies in liquidation or receivership*
In the year ended 31st March 1976 specific provisions have been created in respect of investments in companies in liquidation or receivership by transfer of an amount of £5,355,000 from the general provision.
(iii) *Provisions for diminution in value*
In respect of irredeemable share investments, development sites and property, after taking account of the amounts arrived at under (i), further specific provision is made where necessary to write down to the lower of book amount and estimated realisable value at the year end.
In the year ended 31st March 1975 listed equity investments, irredeemable preference shares, development sites and properties were valued in groups for this purpose but for the year to 31st March 1976 investments in these categories have been considered individually. This change has increased the charge against revenue for the year by £4,975,000. Unlisted equity *investments continue to be valued as a group.*
(iv) *Realisations*
Realised profits are credited to revenue and realised losses are charged against the general provision, except that in the year ended 31st March 1976 realised losses relating to an item in a category against which specific provisions are maintained are also charged to revenue, to the extent that they *exceed such specific provisions.*
(2) *Years ended 31st March 1972 and 1973 and period ended 31st March 1974: ICFC group*
A general provision was maintained and the charge against revenue consisted of the aggregate of (a) 3 per cent. of the five year average of net new investment and (*b*) the average of the realised losses of the previous *five years; in addition specific provisions were maintained to take account* of any diminution in value of industrial subsidiaries.
(3) *Years ended 31st March 1972 and 1973 and period ended 31st March 1974: FCI*
Specific provisions were made, where appropriate, against individual loans.

(f) *Deferred taxation*
Deferred taxation represents mainly the proportion, considered to be applicable to future hiring periods, of tax relief on capital allowances in respect of plant and equipment leased to customers and ships under charter. As at 31st March 1970 deferred taxation was calculated substantially at 45 per cent.; since that date the deferral method has been used.

(g) *Foreign currencies*
Balances in foreign currencies have been converted at the rates ruling at the balance sheet date.

(h) *Industrial subsidiaries*
(i) *Stock and work-in-progress*
These have been valued at cost, estimated cost or net realisable value, whichever is the lowest. The general basis of cost is the cost of materials *plus direct labour and applicable production overheads based on a normal* level of production.
(ii) *Depreciation*
Depreciation is generally calculated on a straight line basis over the term of the lease or estimated life of the asset, regional and other grants receivable being deducted from cost.

3. (a) PROFITS OF ICFC GROUP AND FFI GROUP

The profits of the ICFC group for the two years ended 31st March 1972 and 1973 and of the FFI group for the period ended 31st March 1974 and the two years ended 31st March 1975 and 1976, arrived at after making such adjustments to the audited accounts as we consider appropriate, were as shown in the following statement:

	Year/Period ended 31st March				
	1972	*1973*	*1974*	*1975*	*1976*
	ICFC group		*FFI group*		
	£000	*£000*	*£000*	*£000*	*£000*
Interest and dividends (note (i))	14,172	14,878	20,268	20,183	49,451
Profits less losses on realisations	2,645	4,622	4,677	2,347	2,533
Rents from leased assets and charter hire	5,851	6,503	7,571	16,720	23,002
Less: Depreciation	3,020	3,699	4,414	11,332	15,212
	2,831	2,804	3,113	5,388	7,790
Fees and other income	2,248	3,333	3,678	1,383	2,461
	21,897	25,635	31,766	37,241	62,535
Less: Provisions (note (ii))	716	1,645	3,828	19,018	8,055
Operating costs and administrative expenses	4,858	5,891	8,855	7,541	7,686
	5,574	7,536	12,683	26,559	15,741
Income of Company and financial subsidiaries less provisions	16,323	18,258	21,893	10,681	46,794
Attributable profits less losses:					
Financial associates	114	1,250	258	175	1,226
Industrial associates				(1,023)	1,495
Profits less losses of industrial subsidiaries before interest on borrowings (note (iii))				1,822	2,325
Profit before interest on borrowings	17,057	18,548	21,452	10,252	51,927
Interest on secured borrowings (note (iv))	6,638	6,975	7,477	6,955	6,754
Profit after interest on secured borrowings	10,419	12,574	13,975	3,297	45,173
Interest on unsecured borrowings (note (iv))	4,520	5,668	6,479	18,360	37,701
Profit (loss) before taxation	5,899	6,906	7,496	(15,063)	7,472
Taxation, including adjustments in respect of prior years (note (v))	2,456	2,780	2,730	(2,560)	2,920
Profit after taxation	3,443	4,126	4,766	(12,503)	4,552
Interest of outside shareholders	82	46	(23)	(1,164)	243
Profit before extraordinary items	3,361	4,074	4,789	(11,339)	4,309
Less: *Extraordinary items (note (vi))*	694	(7,294)	(83)	4,531	496
Surplus	2,667	11,368	4,872	(15,870)	3,813
Less: Profit of FCI from 1st April 1973 to 30th November 1973			178		
Surplus attributable to equity	2,667	11,368	4,694	(15,870)	3,813
Dividends	1,960	2,140	2,810	138	138
Increase (decrease) in retained surplus (note (vii))	707	9,228	1,884	(16,008)	3,675
Earnings per share (note (viii))	8.4p	10.2p	9.9p	20.3p loss	5.1p
Rate of dividend per share (note (ix))	4.9p	5.35p	4.67p	.162353p	.162353p

Notes:

(i) *Interest and dividends*
In the period ended 31st March 1974 this includes FCI £2,366,000, being income from loans less interest on advances from bankers and on an amount paid in advance of calls.

(ii) *Provisions*
In both the period ended 31st March 1974 and the year ended 31st March 1975, having regard to economic conditions, an amount of £1,000,000 was charged against revenue, in addition to the charges calculated as explained under accounting policy (e).

(iii) *Industrial subsidiaries*

	FFI group	
	Year ended 31st March	
	1975	*1976*
	£000	*£000*
Turnover, being value of sales and services invoiced in year excluding intra-group items	24,087	31,089
Depreciation	530	630

	Year/Period ended 31st March				
	1972	*1973*	*1974*	*1975*	*1976*
	ICFC group		*FFI group*		
	£000	*£000*	*£000*	*£000*	*£000*
(iv) *Interest on borrowings* Interest payable, other than by FCI in the period ended 31st March 1974 (note (i) above), comprises:					
Secured					
FFI group (other than ICFC group)	—	—	—	1,821	1,645
ICFC debenture stocks	4,875	4,875	4,875	4,875	4,875
Other ICFC group	1,763	2,100	2,602	—	—
Industrial subsidiaries				259	234
	6,638	6,975	7,477	6,955	6,754
Unsecured					
FFI/ICFC loan stocks	2,766	3,772	4,094	4,316	11,896
Industrial subsidiaries				770	29
Other	1,754	1,896	2,385	14,164	25,776
	4,520	5,668	6,479	18,360	37,701
	11,158	12,643	13,956	25,315	44,455
(v) *Taxation*					
Corporation tax	713	1,182	809	(7,161)	2,169
Foreign tax	64	42	90	192	181
Tax attributable to franked income	—	—	1,525	1,502	1,261
Income tax	1,391	1,500	—	—	—
	2,168	2,724	2,424	(5,467)	3,611
Deferred taxation	289	103	440	4,523	1,261
	2,457	2,827	2,864	(944)	4,872
Prior years	(1)	(47)	(134)	(1,616)	(1,952)
	2,456	2,780	2,730	(2,560)	2,920
attributable to:					
FFI, ICFC and financial subsidiaries	2,112	2,350	2,607	(2,997)	92
Financial associates	344	430	123	441	721
Industrial associates				(457)	761
Industrial subsidiaries				453	1,346
	2,456	2,780	2,730	(2,560)	2,920
(vi) *Extraordinary items*					
Premiums, less discounts, on acquisitions and loss on disposal of subsidiaries, including taxation thereon	111	759	(83)	1,415	496
Discounts and issue expenses of unsecured loan stocks and capital duty	583	31	—	2,334	—
Attributable loss of Hamilton Leasing Ltd for the 4 months to 31st March 1974	—	—	—	782	—
Surplus on sale of interest in Piercy House less taxation	—	(8,534)	—	—	—
Provision for payment to staff pension fund in respect of past service, less taxation	—	450	—	—	—
	694	(7,294)	(83)	4,531	496

(vii) The reduction in the retained surplus as shown in the published accounts of the FFI group for the year ended 31st March 1975 was £18,352,000: the difference of £1,344,000 between that figure and the decrease shown above arises from the inclusion in the latter of the results of industrial subsidiaries and industrial associates.

(viii) *Earnings per share*

	1972	*1973*	*1974*	*1975*	*1976*
Profit (loss) attributable to FFI group/ICFC group before extraordinary items (£000)	3,361	4,074	4,611	(12,273)	4,309
Average number of shares in issue (thousands)	40,000	40,000	46,667	60,322	85,000
Earnings per share	8.4p	10.2p	9.9p	20.3p loss	5.1p

In the accounting years ended 31st March 1972 and 1973 ICFC obtained the benefit of income tax deducted and retained on dividends paid: in consequence of the change to the imputation system of taxation no such benefit accrued thereafter. All earnings per share figures have therefore been computed on a basis which excludes income tax retained on dividends paid.

(ix) *Rate of dividend*
Following the change to the imputation system of taxation these rates have, for purpose of comparison, been calculated by dividing the net dividends into the appropriate number of shares.

3. (b) PROFITS OF FCI

The profits of FCI for the two years ended 31st March 1972 and 1973 were as follows:

	Year ended 31st March 1972 £000	1973 £000
Income from loans, less interest on advances from bankers and on amount paid in advance of calls	1,945	2,050
Administrative expenses	59	65
Profit before taxation	1,886	1,985
Corporation tax	755	795
Profit after taxation	1,131	1,190
Dividends	200	147
Addition to retained surplus	931	1,043

Note:
In the years ended 31st March 1972 and 1973 no specific provisions were made against individual loans.

4. BALANCE SHEETS AT 31st MARCH 1976

The balance sheets of *FFI* group, *FFI*, *ICFC* group and *FCI*, based on the audited balance sheets, and after making such adjustments as we consider appropriate, were as follows:

	FFI group £000	FFI £000	ICFC group £000	FCI £000
Investments and financial facilities extended to customers (note (a))	351,477	—	170,105	177,639
Property and plant at cost (note (b))	96,015		19,520	
Less: Depreciation	47,743		11,632	
	48,272	—	7,888	—
Ships under charter at cost	38,307			
Less: Depreciation	13,678			
	24,629	—	—	—
Development sites	14,448	—	—	—
Financial associates (note (c))	13,800	—	13,560	—
Industrial associates (note (d))	7,033	—	7,033	—
Net assets of industrial subsidiaries (note (e))	11,560	—	13,418	—
Consolidated subsidiaries (note (f))		311,132		—
Current assets				
Balances with bankers and money at call and short notice	91,616	86,906	2,520	890
Other current assets				
Customers' liability for acceptances	400	—	400	—
Tax recoverable (net)	6,380	801	2,271	3,235
Interest receivable, debtors and prepayments	8,144	614	4,745	1,941
Dividends receivable		5,025		—
Amount receivable from fellow subsidiaries		—	1,171	—
	106,540	93,412	11,307	5,112
Less: Current liabilities other than borrowings				
Acceptances on behalf of customers	400	—	400	—
Taxation (note (g))	111	—	111	—
Creditors and accrued charges	10,128	3,317	2,021	5
Group relief payable	—	—	—	2,178
Amount payable to fellow subsidiaries			1,945	909
Proposed dividend	138	138	3,625	1,000
	10,775	3,455	8,102	4,091
Net Current Assets	95,765	89,957	3,405	1,081
	566,994	401,089	215,409	178,720
Financed by:				
Share capital				
Authorised	150,000	150,000	55,000	25,000
Issued and fully paid shares of £1 each	85,000	85,000	55,000	
Issued shares of £10 each, £1.50 paid (2,500,000 shares)				3,750
Amount paid in advance of calls				5,000
Share premium	13,030	13,030	—	—
Retained surplus (note (h))	9,701	1,117	7,742	7,954
	107,731	99,147	62,742	16,704
Deferred taxation	19,913	142	18,795	(503)
Borrowings repayable (note (i))				
after more than 15 years	60,926	—	55,000	
after more than 10 years but within 15 years	12,143	—	11,511	
after more than 5 years but within 10 years	106,827	80,750	22,086	
after more than 1 year but within 5 years	81,315	58,500	14,164	
	261,211	139,250	102,611	
Borrowings repayable within 1 year (note (i))	175,657	162,550	9,503	
Total borrowings	436,868	301,800	112,114	—
Outside shareholders' interests in subsidiaries	2,482		1,381	
Amount due to holding company			20,318	162,519
	566,994	401,089	215,409	178,720

Notes:

(a) *Investments and financial facilities extended to customers less provisions*

	FFI group £000	ICFC group £000	FCI £000
Debentures and secured loans	189,253	111,732	75,077
Unsecured loans	112,929	11,465	101,450
Redeemable preference shares	8,045	8,045	—
Irredeemable preference shares	3,046	2,288	25
Equity shares	42,032	39,855	1,523
	355,305	173,385	178,075
Less: General provision after tax	3,828	3,280	436
	351,477	170,105	177,639

	FFI group £000	ICFC group £000	FCI £000
(i) *Unlisted equity investments excluding associated companies*			
Net book amount	27,753	26,038	1,500
Share of post-acquisition surpluses less losses	15,877	15,951	(187)
(ii) *Listed investments*			
Net book amount	16,736	15,132	45
Market value	22,487	21,940	84

(iii) Tax charges in respect of unrealised profits on exchange of investments have been debited to the cost of those investments. Tax charges in respect of provisions against advances and investments which are not allowable for taxation purposes until the relevant losses are realised have been charged against the provisions.

(b) *Property and plant*

	FFI group Property £000	Plant £000	Total £000
Cost	22,170	73,845	96,015
Accumulated depreciation	2,762	44,981	47,743
	19,408	28,864	48,272
Leased to customers under agreements	11,717	28,202	39,919
In use by group	7,691	662	8,353
Freehold	9,451		
Long leasehold	9,564		
Short leasehold	393		
	19,408		

No property is held within the ICFC group except by industrial subsidiaries (note (e) below).

(c) *Financial associates*

	FFI group £000 Listed	£000 Unlisted	ICFC group £000 Listed	£000 Unlisted
Debentures and secured loans	—	300	—	300
Unsecured loans	—	338	—	338
Redeemable preference shares	—	55	—	55
Equity	9,438	1,028	9,438	952
	9,438	1,721	9,438	1,645
Share of post-acquisition surpluses less losses	1,873	778	1,873	604
	11,311	2,489	11,311	2,249
Market value	18,316		18,316	

(d) *Industrial associates less provisions*

	FFI group £000 Listed	£000 Unlisted	ICFC group £000 Listed	£000 Unlisted
Debentures and secured loans	—	1,102	—	1,102
Unsecured loans	—	806	—	806
Redeemable preference shares	—	118	—	118
Irredeemable preference shares	—	48	—	48
Equity	441	6,809	441	6,809
	441	8,885	441	8,885
Share of post-acquisition surpluses less losses	436	(2,729)	436	(2,729)
	877	6,156	877	6,156
Market value	1,490		1,490	

(e) *Net assets of industrial subsidiaries*

	FFI/ICFC group Property £000	Plant £000	FFI group £000	ICFC group £000
Property and plant				
Cost	2,964	7,188	10,152	10,152
Accumulated depreciation	242	3,966	4,208	4,208
	2,722	3,222	5,944	5,944
Freehold	1,809			
Long leasehold	634			
Short leasehold	279			
	2,722			
Current assets				
Stock and work-in-progress			7,808	7,808
Debtors and prepayments			6,085	6,085
Balances with bankers and money at short notice			693	693
Deposit with FFI				1,858
			14,586	16,444
Current liabilities				
Creditors and accrued charges			6,511	6,511
Taxation			671	671
Bank overdrafts (secured £1,512,000)			1,788	1,788
			8,970	8,970
Net current assets			5,616	7,474
			11,560	13,418

(f) *Consolidated subsidiaries*

	FFI £000
At cost less provisions	
Shares	73,584
Advances by FFI	250,059
	323,643
Advances to FFI	12,511
	311,132

(i) Advances to some subsidiaries by FFI and ICFC totalling £90,213,000 and £924,000 respectively, have been subordinated in favour of the other creditors of those subsidiaries.

(ii) Shares held in subsidiaries by FFI and ICFC carry uncalled liabilities of £16,900,000 and £150,000 respectively.

(g) *Taxation*
Capital allowances estimated at £3,570,000 are available to reduce the future liability of the FFI group to pay corporation tax, but approximately corresponding transfers will be made to deferred taxation.

(h) *Retained surplus*

	FFI group £000	ICFC group £000
FFI/ICFC	1,117	1,091
Subsidiaries	8,226	6,467
Associates	358	184
	9,701	7,742

Of the retained surplus of subsidiaries, amounts of £3,487,000 (FFI group) and £2,470,000 (ICFC group) are not regarded as distributable by them.

(i) *Borrowings*

(i) (a) *By FFI and subsidiaries (other than ICFC)*

		£000
Debenture stocks		
6 per cent. 1983/85	2,000	
8 per cent. 1991/93	3,000	
		5,000
Unsecured loan stocks		
14 per cent. 1979	2,025	
13 per cent. 1981	75,000	
		77,025
Bank Loans		
Repayable by instalments ending after more than 5 years (Secured)	5,778	
Repayable by instalments ending within 5 years (Secured £7,014,000)	53,389	
Repayable within 5 years	82	
Bank overdraft	126	
		59,351
Other loans		
Repayable by instalments ending after more than 5 years (Secured)		4,643
Deposits		
Repayable in more than 1 year	19,075	
Repayable in not more than 1 year	159,600	
		178,675
		324,694
(b) *By ICFC*		
Debenture stocks		
5½ per cent. 1980/82	10,000	
6½ per cent. 1981/84	10,000	
6½ per cent. 1988/90	10,000	
7½ per cent. 'A' 1989/92	15,000	
7½ per cent. 'A' 1991/94	15,000	
8 per cent. 'A' 1991/94	10,000	
		70,000
Unsecured loan stocks		
10 per cent. 'C' 1976	5,212	
9 per cent. 1977	3,200	
8½ per cent. 1992/97	15,000	
		23,412
Bank loans		
Repayable by instalments ending after more than 5 years		4,462
Deposits		
Repayable in more than 1 year	10,300	
Repayable in not more than 1 year	4,000	
		14,300
		112,174
		436,868

(ii) *Standby facilities*
The shareholders of FFI have made available two standby facilities as follows:
Facility A amounted to £100,000,000 at 31st March 1976, was increased to £200,000,000 on 1st April 1976 and was further increased to £300,000,000 on 1st October 1976. Its purpose is to support FFI's medium term variable rate lending. At 31st March 1976 no amounts had been drawn under this facility but medium term variable rate loans to customers of £43,552,000 were outstanding, financed by market borrowings supported by the standby facility.
Facility B amounts to £100,000,000 and its purpose is to support short term borrowing by FFI necessary to finance the provision of fixed rate facilities to customers pending appropriate arrangements being made for raising medium or long term loans or share capital. At 31st March 1976 no amounts had been drawn down but after taking account of market borrowings covered by Facility A and redeposits there remained borrowings of £41,089,000 maturing in less than one year which were supported by this facility.

(iii) *Other information*
The debenture stocks are secured by floating charges.
All borrowings are repayable at par.
ICFC and FCI have jointly and severally guaranteed the payment of the principal and interest on the unsecured loan stocks issued by FFI, totalling £77,025,000 at 31st March 1976.
ICFC has entered into finance contracts dated 18th July 1973 and 28th November 1974 with European Investment Bank (EIB) under which EIB has granted credits equivalent to a total of £4,100,000 at 31st March 1976 to be used in financing projects in development areas. Amounts due from customers in respect of loans relating to the EIB credits are equivalent to a total of £3,867,000 and are included with debentures and secured loans (note (a)); the securities given by customers for these loans are held in trust for EIB.

(k) *Further commitments*

	FFI group £000	ICFC group £000	FCI £000
(i) *Under contract*			
Financial facilities	89,974	10,148	77,920
Development sites	3,063	—	—
	93,037	10,148	77,920
(ii) *On offer subject to acceptance and contract*			
Financial facilities	10,531	3,135	7,075
Development sites	2,086	—	—
	12,617	3,135	7,075
(iii) *Capital expenditure of industrial subsidiaries*			
Authorised	799	799	
Contracted	526	529	

(l) *Contingent liabilities*

	FFI group £000	ICFC group £000	FCI £000
(i) Contingent liabilities relating to the guarantee of recourse agreements and loans	18,109	17,370	592
(ii) Contingent liabilities of industrial subsidiaries	252	252	

(iii) On 2nd March 1976 FFI and FCI jointly and severally guaranteed the future borrowings of ICFC up to £20,000,000; at 31st March 1976 these borrowings amounted to £1,000,000.

5. SUMMARY OF BALANCE SHEETS

The combined consolidated balance sheets of ICFC group and balance sheets of FCI at 31st March 1971 to 1973 inclusive, and of FFI group at 31st March 1974 to 1976 inclusive, based on the audited balance sheets, and after making such adjustments as we consider appropriate, are summarised as follows:

31st March	1971	1972	1973	1974	1975	1976
	—Combined ICFC and FCI—			——FFI group——		
	£000	£000	£000	£000	£000	£000
Investments and financial facilities extended to customers	218,469	253,178	222,204	243,660	234,188	351,477
Property, plant and ships under charter	33,402	44,563	41,516	48,132	77,342	72,901
Development sites	—	—	5,575	13,036	12,453	14,448
Financial associates	6,332	7,417	8,818	10,958	12,491	13,810
Industrial associates					6,575	7,033
Net assets of industrial subsidiaries					11,423	11,560
Current assets						
Balances with bankers and money at call and short notice	16,837	23,325	27,209	10,888	80,434	91,616
Customers' liability for acceptances	3,325	3,491	2,331	2,535	450	400
Unsecured loan stock instalments	7,725	11,825	—	—	52,000	—
Interest receivable, debtors and prepayments, including tax recoverable	8,023	8,943	10,728	12,122	15,026	15,124
	36,110	47,384	40,418	25,533	137,948	106,540
Current liabilities						
Acceptances on behalf of customers	3,375	3,491	2,331	2,535	450	400
Taxation	1,052	1,401	8,116	8,203	82	111
Creditors and accrued charges	3,814	5,039	6,582	7,254	10,988	10,128
Proposed dividend	1,987	2,160	427	2,800	138	138
	10,228	12,091	17,456	20,792	11,658	10,775
Net current assets	25,882	35,293	22,963	4,741	125,382	95,765
	275,085	320,451	308,097	321,129	479,855	566,994
Financed by:						
Share capital of FFI/ICFC	40,000	40,000	40,000	60,000	85,000	85,000
Share premium	—	—	—	13,280	13,030	13,030
Retained surplus FFI/ICFC	12,950	13,657	22,795	24,679	6,025	9,701
	52,950	53,657	62,795	97,959	104,055	107,731
Deferred taxation	7,330	7,175	7,467	8,157	18,452	19,913
Outside share interests in subsidiaries	973	1,010	1,331	1,302	2,493	2,482
Borrowings	199,671	242,917	220,379	213,711	354,854	436,868
	260,924	305,359	291,962	321,129	479,855	566,994
Share capital and pre-acquisition reserves of FCI	14,161	15,092	16,135	—	—	—
	275,085	320,451	308,097	321,129	479,855	566,994

6. ACCOUNTS

No accounts have been made up for submission to *members* since those for the year ended 31st March 1976.

Yours faithfully,

WHINNEY MURRAY & CO.

Chartered Accountants

PARTICULARS OF THE 14 PER CENT. UNSECURED LOAN STOCK 1983

The £50,000,000 14 per cent. Unsecured Loan Stock 1983 ("the Stock") will be constituted by a Trust Deed to be made between the Company (1), ICFC and FCI ("the Sureties") (2) and Williams & Glyn's Trust Company Limited as Trustees (3), containing *inter alia* provisions to the following effect:

1. DEFINITIONS

The following expressions will have the following meanings:

Monies Borrowed:

Monies borrowed shall be deemed to include (in so far as not already taken into account):

(i) the principal amount outstanding in respect of any debenture as defined in Section 455 of the Companies Act 1948;

(ii) the principal amount outstanding under any acceptance credit opened by any bank or accepting house on behalf of and in favour of the Company or the Sureties or any of them;

(iii) the nominal amount of any issued share capital and the principal amount of any monies borrowed the redemption or repayment whereof is guaranteed or secured by the Company or the Sureties or any of them;

(iv) any paid up share capital of a Surety (other than equity share capital) not for the time being beneficially owned by the Company or another wholly owned British Isles Subsidiary of the Company,

but shall be deemed not to include:

(*a*) *monies borrowed for the purpose of repaying* the whole or any part of any other monies borrowed pending their application for such purpose provided that they are to be so applied within six months of being so *borrowed;*

(*b*) monies borrowed from bankers or others for the purpose of financing any contract in respect of which any part of the price receivable is guaranteed or insured by the Export Credits Guarantee Department or any institution approved by the Trustees carrying on similar business in the United Kingdom to an amount not exceeding that part of the price receivable thereunder which is *so guaranteed or insured;* or

(c) monies deposited whether on deposit or current account or otherwise by customers or in connection with any scheme for the benefit of employees or their dependents.

Adjusted Total of Capital and Reserves:

The aggregate of:

(i) the amount paid up or credited as paid up on the issued share capital of the Company; and

(ii) the amounts for the time being standing to the credit of the capital and revenue reserves (including share premium account, capital redemption reserve fund and profit and loss account) of the Company and of the Sureties,

all as shown in a consolidation of the then latest audited balance sheets of the Company and the Sureties but after:

(a) deducting therefrom any amounts attributable to goodwill and other intangible assets and any debit balance on profit and loss account:

(*b*) *deducting therefrom an amount equal to any distribution by the Company* and the Sureties *or any* of them to its or their members out of profits *earned prior* to the date of such latest audited balance sheets and which *may have been declared recommended or made* since *that date, other than* dividends paid or payable by the *Sureties* or either of them to the Company or except in so far as provided for in such balance sheets;

(*c*) excluding *therefrom any* writing up after 7th February 1977 of the book value of any assets (not being current assets) of the Company and the Sureties or any of them except to the extent of (i) any writing back of depreciation previously charged against revenue profits in excess of the relevant tax allowances (other than investment allowances and other allowances which in the opinion of the Auditors are of a similar nature) and (ii) any writing back upon a revaluation by the Directors up to the original cost of amounts previously written off the original cost of any investment;

(*d*) making such adjustments as may be appropriate in respect of any variation in such paid up share capital or *reserves since* the *date of such balance* sheets:

(e) deducting an amount equivalent to the investment (whether by way of *share or loan capital or other indebtedness) of the* Company and the Sureties or any of them in any Excluded Subsidiary; and

(*f*) making such further adjustments (if any) as the Auditors shall consider appropriate.

British Isles Subsidiary:

A subsidiary incorporated in the *British Isles the main business* of *which is carried* on and the *major* part of the assets of which is situated within the British Isles.

The British Isles:

The United Kingdom of Great Britain and Northern Ireland, the Republic of Ireland, the Channel Islands and the Isle of Man.

Excluded Subsidiary:

A *wholly owned* subsidiary of the Company (other than a Surety) which has outstanding monies borrowed which were borrowed after 7th February 1977 and secured on the assets of such subsidiary other than (a) monies borrowed from and for the time *being owing* to the Company or to any wholly owned British Isles Subsidiary of the Company not being an Excluded Subsidiary or (b) monies borrowed and secured by charges on specific assets of such subsidiary in the ordinary course of its business.

2. REGISTRATION AND TRANSFERS

The Bank of England will act as registrars of the Stock which will be registered and *transferable in multiples of one new penny;* transfers, by *instrument in writing in* accordance with the Stock Transfer Act 1963, will be registered free of charge.

3. INTEREST

Interest (less Income Tax) on the Stock will be payable half-yearly at the Bank of England on 20th June and 20th December at the rate of 14 per cent. per annum: the *first payment will be made on 20th June 1977 and will amount (before deduction* of Income Tax) to £2.73 per £100 nominal of the Stock. Interest warrants will be sent by post.

4. REPAYMENT AND PURCHASE

Any Stock outstanding at 20th December 1983 will be repaid at par at the Bank of England on that date when all interest will cease.

The Company may at any time purchase any of the Stock in the market or by tender (available alike to all holders of the Stock) at any price or by *private treaty* at any price not exceeding £105 per centum (inclusive of accrued interest but exclusive of expenses) but not otherwise.

5. LIMITATION ON BORROWINGS

So long as any part of the Stock remains outstanding:

(i) without the previous sanction of an Extraordinary Resolution of the holders of the Stock the aggregate amount for the time being outstanding of monies *borrowed by the Company and the Sureties (together with any fixed or minimum* premium payable on final redemption or repayment but exclusive of monies borrowed by the Company from the Sureties or either of them or by the Sureties or either of them *from the Company or the other of the Sureties)* shall *not* at any time exceed an amount equal to seven times the adjusted total of capital and reserves;

(ii) except with the consent of the Trustees no monies borrowed after 7th February 1977 by the Company and the Sureties or any of them and secured on assets of the Company or the Sureties or any of them shall be repayable prior to 20th December 1983.

6. TRANSFER OF ASSETS

Except with the consent of the Trustees:

(i) the Company shall not and shall procure that none of its wholly owned British Isles Subsidiaries shall sell or otherwise dispose of the whole or any part of its undertaking which is a substantial part or (except in the ordinary course of business) sell or otherwise dispose of any part of its assets which is a substantial part Provided that without prejudice to the generality of the foregoing any sale or disposal of assets:

(a) to the Company or to any company which is at the time thereof or will immediately thereafter be a British Isles Subsidiary wholly *owned* by the Company; or

(*b*) to the Company or any other subsidiary for full consideration (payable in *the United Kingdom) in money* or money's worth

shall be deemed to be in the ordinary course of business;

(ii) the Company shall not cause or permit the *Sureties* or *either of* them to cease to be wholly owned subsidiaries of the Company.

For the purposes of this provision "substantial part" shall be 10 per cent. or more of the *undertaking or of* the assets (as the case may be) of the Company and its British Isles Subsidiaries taken as a whole.

7. FURTHER ISSUES OF LOAN STOCK

In the event of the Company issuing additional unsecured loan stock, whether identical in all respects with the Stock or having attached thereto such other provisions and conditions as the Directors may at the time of the issue thereof determine, such additional unsecured loan stock *may* be constituted by a Trust Deed expressed to be supplemental to the Trust Deed constituting the Stock and may (if identical with the *Stock) form a single issue with the Stock.*

8. MODIFICATION OF RIGHTS

The holders of the Stock will have power by Extraordinary Resolution (as defined in the Trust Deed which will provide that the quorum for passing such a Resolution except at an adjourned meeting shall be the holders present in person or by proxy of a clear majority in nominal amount of the Stock for the time being outstanding) to sanction any modification or compromise or arrangement in respect of their rights against the Company and the *Sureties* or any of them or any modification of the terms of the *Trust Deed. In addition the* Trustees will have power at any time to concur with the Company and the Sureties in making any modifications of the provisions contained in the Trust Deed provided that the Trustees shall be satisfied that such modifications will not be *materially prejudicial to the interests of the holders of the* Stock.

9. INDEMNIFICATION AND CONSENTS

The Trust Deed will contain certain provisions for the indemnification of the Trustees and for their relief from responsibility. Any consent given by the Trustees within the provisions of the Trust Deed may be given on such terms and conditions, if any, as the Trustees may think fit.

10. GUARANTEE

The Stock will be unconditionally guaranteed jointly and severally as to payment of principal and interest by the Sureties.

STATUTORY AND GENERAL INFORMATION

Shareholders' Interests

The shareholders of the Company and the number of shares of £1 each held by them respectively are as follows: Bank of England (13,367,409); Bank of Scotland (2,773,888); Barclays Bank Limited (15,783,247); Clydesdale Bank *Limited* (1,643,076); Coutts & Co. (621,829); Lloyds Bank Limited (12,194,173); Midland Bank Limited (14,400,582); National Westminster Bank Limited (20,463,936); The Royal Bank of Scotland Limited (4,080,112); *Williams & Glyn's Bank Limited* (2,677,781).

Information on the Company's Loan Stocks

The £9,000,000 14 per cent. Guaranteed Unsecured Loan Stock 1979 ("the 1979 Stock") is unconditionally guaranteed as to principal and interest by ICFC and FCI and is constituted *by a Trust Deed dated 19th August 1974* and a *Supplemental Trust Deed* dated 20th September 1974 both made between the Company, ICFC, FCI and Williams & Glyn's Trust Company Limited as Trustees.

The £75,000,000 13 per cent. Unsecured Loan Stock 1981 ("the 1981 Stock") is unconditionally guaranteed *as* to principal and interest by ICFC and FCI and is constituted by a Trust Deed dated 14th *February* 1975 *and made between the* Company, ICFC, FCI and Williams & Glyn's Trust Company Limited as Trustees (Contract (1) below).

Details of secured borrowings of ICFC

The £10,000,000 5½ per cent. Debenture Stock 1980/82, the £10,000,000 6½ per cent. Debenture Stock 1981/84 and the £10,000,000 6½ per cent. Debenture Stock 1988/90 of ICFC ("the 5½ per cent. and 6½ per cent. Stocks") are secured *pari passu* by first floating charges, in favour of Commercial Union Assurance Company Limited as Trustees, on the undertaking of ICFC and all its assets and property both present and future including any uncalled capital. The £15,000,000 7½ per cent. 'A' Debenture Stock 1989/92, the £15,000,000 7½ per cent. 'A' Debenture Stock 1991/94 and the £10,000,000 9 per cent. 'A' Debenture Stock 1991/94 of ICFC ("the 7½ per cent. and 9 per cent. Stocks") are *secured pari passu* by floating charges, in favour of Prudential Assurance Company Limited as Trustees, ranking subject to and next after those securing the 5½ per cent. and 6½ per cent. Stocks. The 7½ per cent. and 8 per cent. Stocks are guaranteed by Technical Development Capital Limited (a wholly owned subsidiary of ICFC) whose guarantee is secured by a first *floating charge* on its undertaking and all its assets and property both present and future including any uncalled capital.

There are no other secured borrowings by ICFC and no secured borrowings by the Company or FCI.

Changes in Share and Loan Capital of the Company, ICFC and FCI

Share Capital

The share capital of the Company on its formation was £100 divided into 100 shares of £1 each.

On 30th November 1973 the authorised capital was increased to £100,000,000 in shares of £1 each; 40,000,000 shares were issued to the shareholders of ICFC in exchange for a similar number of £1 shares, being the whole of the issued share capital of that company; the Bank of England, a shareholder, subscribed for a further 5,500,000 £1 shares in cash at £3.50 per share; all the shareholders then subscribed for an additional total of 14,500,000 £1 shares in cash at par. The proceeds of these subscriptions were used partly to acquire the whole of the issued share capital of FCI and partly to supplement the Company's funds available for investment.

On 4th *February* 1975 the authorised capital was further increased to £150,000,000 in *shares* of £1 each.

On 4th March 1975 25,000,000 shares of £1 each were issued to the shareholders for subscription *in* cash at par (Contract (2) below). On 22nd June 1976, for the purpose of enabling the Company to subscribe for shares in Equity Capital for Industry Limited (Contract (5) below) a further 4,000,000 shares of £1 each were issued to the *shareholders for subscription in cash at par* (Contract (4) below).

Loan Capital

On 23rd July 1974 £1,000,000 of the 1979 Stock was issued for cash at £98.50 per centum. Subsequently a total of £1,025,000 of the 1979 Stock was issued for cash at *current market prices to raise an aggregate* of £995,500.

On 13th February 1975 the whole of the 1981 Stock was issued for cash at £99.50 per centum. In connection with such issue the Company paid commissions and brokerage totalling £187,448, excluding V.A.T.

Except as disclosed herein (a) no share or loan capital of the Company or of ICFC or FCI has been issued within the two years preceding the date hereof or is proposed to be issued for cash or otherwise; (b) no unissued share or loan capital of the Company or of ICFC or FCI is under option or agreed conditionally or unconditionally to be put under option; (c) *no* commissions, discounts, brokerages or other special terms have within the two years preceding the date hereof been granted by the Company or ICFC or FCI in connection with the issue or sale of any share or loan capital of any of them.

Directors' interests

(a) There is no service agreement between the Company or any subsidiary and any Director of the Company which is not terminable at any time on less than 12 months' notice without payment of compensation other than statutory compensation. The aggregate emoluments of the Directors during the year to 31st March 1976 were £106,000.

(*b*) No Director has or has had any interest direct or indirect in any material asset acquired or disposed of by or leased to the Company or any of its subsidiaries within the two years immediately preceding the date hereof or proposed to be *so acquired, disposed* of or leased.

(c) There are no contracts or arrangements of significance (as defined by the Regulations of The Stock Exchange) subsisting with the Company or any of its *subsidiaries* in which a Director's interest is material.

Litigation

No company in the FFI group has any litigation or claims of material importance pending or, so far as the Directors are aware, threatened against it.

Material contracts

The following contracts *have been entered into* within the two years immediately preceding the date of publication of this Prospectus, otherwise than in the ordinary course of business, and are or may be material:

(1) Dated 14th February 1975 between the Company (1), *ICFC* and *FCI* (2) and Williams & Glyn's Trust Company Limited (3) being the Trust Deed constituting the 1981 Stock.

(2) Dated March 1975 being exchanges of letters between the *Company and its* shareholders relating to the issue of 25,000,000 shares of £1 each referred to above.

(3) Dated 6th November and 11th November 1975 being an exchange of letters between the Bank of England and the Company relating to the provision by the shareholders of the standby facilities referred to above.

(4) Dated June 1976 being exchanges of letters between the Company and its shareholders relating to the issue of 4,000,000 shares of £1 each referred to above.

(5) Dated June 1976 being an application by and allotment to the Company in respect of 4,000,000 shares of £1 each in Equity Capital for Industry Limited *issued to the Company for subscription in cash at par.*

(6) Offer Document dated 5th July 1976 and Form of Acceptance issued by ICFC on behalf of the Company to acquire the whole of the issued share capital of Highland Leasing Limited for a total cash consideration of £827,994.

(7) Dated 4th August 1976 between ECSC (1) and the Company (2) being an *Agreement relating to the loan facility of £10,000,000 referred to above.*

(8) Dated 7th February 1977 being an exchange of letters between Mullens & Co. and Hoare Govett Limited ("the Joint Brokers") and the Company under which the Joint Brokers have agreed, subject to listing being granted not later than 16th February 1977, to underwrite the issue of the Stock for a commission of 1½ per cent. on the nominal amount of the Stock, out of which they will pay a sub-underwriting commission of 1 per cent. and their own legal expenses.

Miscellaneous

The total expenses in connection with this issue including the fee payable to The Stock Exchange, the Company's legal and accountancy fees and expenses, the issue charges of the Bank of England, the commission referred to below payable to bankers and stockbrokers, the legal expenses of the Trustees, postage, printing, advertising and the commission payable to the Joint Brokers are estimated to amount to £795,000 and are payable by the Company.

The Council of The Stock Exchange has granted a Certificate of Exemption pursuant to Section 39 of the Companies Act 1948.

Whinney Murray & Co. have given and have not withdrawn their written consent to the issue of this Prospectus with the inclusion therein of their Report set out above in the form and context in which it is included.

The above-mentioned consent and the statement of adjustments made by the said Accountants and the reasons therefor and copies of the above-mentioned material contracts have been attached to the copy of this Prospectus delivered to the Registrar of Companies.

Copies of the Memoranda and Articles of Association of the Company and of ICFC and FCI, the draft Trust Deed (subject to modification), the Accountants' Report together with their signed statement of adjustments and the reasons therefor and their letter of consent, the *audited accounts of the Company and of ICFC and FCI for the* last two financial years, the unaudited interim accounts of the Company for the six months ended 30th September 1976 and the material contracts referred to above may *be inspected at the offices of Slaughter and May,* 35 Basinghall Street, London EC2V 5DB on any weekday (excluding Saturdays and public holidays) during usual business hours, for a period of 14 days from the publication of this Prospectus.

APPLICATIONS AND GENERAL ARRANGEMENTS

Applications, which must be accompanied by a deposit of £10 per cent. of the *nominal* amount applied for, will be received at the **Bank of England, New Issues, Watling Street, London, EC4M 9AA;** a separate cheque must accompany each application. Applications must be for £100 Stock or a multiple thereof up to *£2,000 Stock;* applications for more than £2,000 Stock must be in a multiple of £500 Stock. No allotment will be made for a less amount than £100 *Stock*. Letters of Allotment in respect of Stock allotted (which will be in *bearer form) will be despatched* by *post* at *the* risk of the applicant. If no allotment is made, the deposit will be returned by post at the risk of the applicant; in the case of partial allotment, the balance of the amount paid as deposit will be likewise returned.

Acceptance of applications will be conditional upon the whole of *the Stock being admitted to the Official List of The Stock Exchange* not later than 16th February 1977*:* monies paid in respect of applications will be returned if such admission to the Official List has not been granted by that date and, in the meantime, will be retained by the Bank of England in a separate bank account.

Payment in full may be made at any time after *allotment but not later* than 3rd May 1977. Default in the payment of any instalment by its due date will render the deposit and any instalment previously paid liable to forfeiture and the allotment to cancellation. Interest at the rate of 15 per cent. per annum may be charged on any overdue instalment.

A commission of 12½p per £100 Stock will be paid to bankers or stockbrokers on allotments made in respect of applications *bearing their stamp; this commission* will not, however, be paid in respect of any allotment which arises out of an underwriting commitment. Furthermore, no payment will be made where the banker or stockbroker would receive by way of commission a total of less than £1.

Letters of Allotment may be split into denominations of *multiples of* £100 on written request received by the Bank of England, New Issues, *Watling Street, London, EC4M 9AA,* not later than 29th April 1977; such a request must be accompanied by the Letter(s) of Allotment but the Letter(s) cannot be split if any instalment is overdue. Letters of Allotment must be surrendered for registration, accompanied by a completed registration form, not later than 3rd May 1977 but registration may be effected earlier provided payment in full has been made.

Application forms and copies of this Prospectus may be obtained from the Company at 91 Waterloo Road, London SE1 8XP, from the Bank of England and its branches, from Mullens & Co. and from Hoare Govett Limited.

Dated 7th February 1977

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APPOINTMENTS

J. Fitzpatrick is Mersey Docks chief executive

The MERSEY DOCKS AND HARBOUR COMPANY has appointed Mr. James Fitzpatrick as managing director following the decision of Mr. John Page, the chairman, to step down as chief executive.

Mr. Page took on the dual role of chairman and chief executive in September, 1975, for 18 months from the completion of Mersey Docks reorganisation. From March 1 he is to revert to being non-executive chairman.

★

Mr. T. Harrison, deputy chief executive of CLARKE CHAPMAN, has been appointed acting managing director responsible to Sir James Woodeson as executive chairman. His appointment follows the death of Mr. William Hanlon, for many years deputy chairman and managing director-chief executive of the company.

★

Mr. W. A. Airey has been appointed chairman and chief executive of WEEKS ASSOCIATES following the death of the former chairman Mr. F. Weeks.

★

Mr. Donald Davison has been appointed chairman of National Smokeless Fuels and of Thomas Ness in succession to Mr. Leslie Grainger. The companies are within the coal products group of the NATIONAL COAL BOARD.

★

Mr. Alan Kennedy has been appointed to the Board of the THOMAS COOK GROUP and will be managing director of Thomas Cook Ltd. from April 1. Mr. Kennedy is at present chairman and chief executive of Wakefield Fortune. Mr. Ralph Kanter, who is managing director of Thomas Cook Ltd. and on the Board of Thomas Cook Group, will take over responsibilities for the Thomas Cook Group subsidiaries outside of U.K. and the U.S.

★

Mr. Bhaskar Mitter has been appointed chairman of the CALCUTTA ELECTRIC SUPPLY CORPORATION in succession to Mr. Sachindra Chaudhuri, who has relinquished his seat on the Board.

★

Lord Mancroft is to be the first chairman of the BRITISH GREYHOUND RACING FEDERATION when it comes into being on March 1. His deputy will be Mr. Alasdair Steele-Bodger, a veterinary surgeon. Both posts are part-time. Mr. Fred Underhill will continue as secretary of the National Greyhound Racing Club, and secretary-general of the World Greyhound Racing Federation, and become an executive director of BGRF.

★

Mr. A. A. Gibson and Mr. C. L. Danks, directors of the plastics division of IMPERIAL CHEMICAL INDUSTRIES, retire on March 31. Dr. B. H. Lochtenberg, a plastics division director, will take over additional responsibilities of the film group from April 1. Mr. J. T. Harrison, who was chief accountant of the plastics division, has now become commercial services director.

★

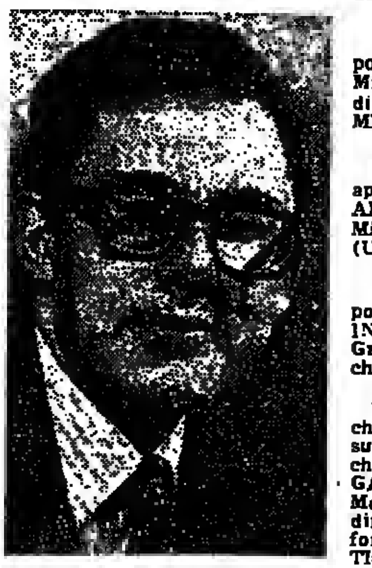
Viscount Garnock has been appointed to the Board of the INTERNATIONAL HARVESTER COMPANY OF GREAT BRITAIN.

★

Mr. W. J. A. Dacombe has been appointed chairman of WILLIAMS GLYN AND CO., merchant banking subsidiary of Williams and Glyn's Bank.

★

Dr. Michael J. Martinek has been appointed managing director of CHLORIDE GENT. He succeeds Mr. John Blasdale, who is moving to Chloride Europe headquarters to undertake special projects.


Dr. Michael Martinek

★

Mr. John Methven has been appointed to the Council of the INSTITUTE FOR FISCAL STUDIES in succession to Sir Campbell Adamson, his predecessor as director-general, Confederation of British Industry.

★

NORVALE PRIVATE LTD. has been formed in Singapore by Norcros (63 per cent.) and Torvale Holdings (37 per cent.) Directors will be Mr. W. K. Raberts (chairman) and Mr. T. C. F. Simpson, both of Norcros, Mr. W. B. Pamment and Mr. D. V. Pamment, both of Torvale Holdings, Mr. Tao Thuan Seng (managing director) and Mr. Wong Peng Koon.

★

The FOREIGN EXCHANGE AND CURRENCY DEPOSIT BROKERS' ASSOCIATION has elected the following officers for 1977: Mr. P. R. Clayton, chairman; Mr. M. D. Phelan, deputy chairman; and Mr. H. A. Woellwarth, honorary secretary and treasurer.

★

Following the appointment of Mr. John T. Cannis as managing director of ATLANTIC INTERNATIONAL BANK, Mr. J. Oliver Steele has been appointed general manager and Mr. Brian Wetherlake manager.

★

Mr. J. P. Machin was retired as a director of EDGAR ALLEN BALFOUR.

★

Because of ill-health, Mr. D. B. Cameron has resigned all executive duties within the Camrex Group. He remains a member of the CAMREX (HOLDINGS) Board and has been appointed as a consultant to the group.

★

Mr. D. G. Scott has resigned from the Board of JOHN FINLAN because of ill health.

★

Mrs. Marigold Johnson has been appointed a part-time member of the SOUTHERN ELECTRICITY BOARD.

★

Mr. T. V. Edge has been appointed operations director and Mr. M. H. Wilkes, transport director, on the Board of MITCHELL COTTS AIRFREIGHT.

★

Mr. C. Cooper has been appointed a director of WISK AIR CARGO, a subsidiary of Mitchell Cotts and Company (U.K.).

★

Mr. Keith Collen has been appointed managing director of INTERTRUCK succeeding Mr. Graeme Smith, who becomes chairman.

★

Mr. John Gadd, at present chairman of Eastern Gas, will succeed Mr. George Cooper as chairman of NORTH THAMES GAS on April 1. Mr. Douglas Melrose has been appointed director of accounting services for BRITISH GAS CORPORATION, responsible to the member for finance.

★

Mr. Keo Bernes has been appointed a director of GRAYSTON LIMITED, a member of the British Electric Traction Group.

★

Mr. D. T. Griffiths and Mr. C. Morley have joined the Board of PULLMAFLEX INTERNATIONAL HOLDINGS. Mr. Griffiths has been appointed to the new position of international research and development director. Mr. Morley is managing director of Pullmaflex UK.

★

Mr. William Melrose has retired as a director of BLACKWOOD MORTON AND SONS (HOLDINGS) for health reasons.

★

Mr. J. C. Sharp has been appointed a non-executive director of E. CHALMERS (HOLDINGS). Mr. J. R. Twaddle has retired.

★

Mr. R. A. York, deputy chairman of the EAST MIDLANDS ELECTRICITY BOARD, is to retire at the end of March. He joined EMEB from the Midlands Electricity Board in 1961 as chief engineer and was appointed deputy chairman in 1970.

★

Mr. Ian F. Halliday will be taking up a new appointment as group finance director on the Board of LESLIE AND GODWIN (HOLDINGS) from March 1. Mr. Halliday was finance director of Allied Textile Companies from 1970 to 1974, since when he has been on secondment to the Department of Industry as a deputy director of the Industrial Development Unit.

★

Mr. John Wallace has been appointed director of technical services at the BIRMINGHAM MINT.

For banker or stockbroker claiming commission

Stamp	VAT Regn. No. (if not registered put "NONE")	
	For use by the Bank of England	
	Accepted for £	Cheque No. £

THE APPLICATION LIST WILL BE OPENED AT 10 am ON FRIDAY, 11th FEBRUARY 1977 AND WILL BE CLOSED AT ANY TIME THEREAFTER ON THAT DAY

FINANCE FOR INDUSTRY LIMITED

ISSUE OF £50,000,000 14 PER CENT. UNSECURED LOAN STOCK 1983 AT £99.50 PER CENT.

TO THE GOVERNOR AND COMPANY OF THE BANK OF ENGLAND

The applicant named below requests you to allot to him/her in accordance with the terms of the Prospectus dated 7th February 1977[a] £

say, ______ pounds of the above-named Stock and hereby engages to pay the instalments as they shall become due on any allotment that may be made in respect of this application, as provided by the said Prospectus; the applicant requests that a Letter of Allotment in respect of the Stock allotted be sent to him/her by post at his/her risk.

The sum of [b]£______, being the amount of the required deposit (namely £10 for every £100 of the Stock applied for), is enclosed.

[c]I/We declare that the applicant is not resident outside the Scheduled Territories[d] and that the security is not being acquired by the applicant as the nominee of any person(s) resident outside those Territories.

______1977

SIGNATURE ______

of, or on behalf of, applicant.

Please pin top left corner of cheque here

PLEASE USE BLOCK LETTERS

SURNAME OF APPLICANT MR/MRS/MISS OR TITLE ______

FIRST NAME(S) IN FULL ______

ADDRESS IN FULL ______

[a] Applications must be for £100 of the Stock or a multiple thereof up to £2,000 Stock; applications for more than £2,000 Stock must be in multiples of £500 Stock. Applications should be lodged at the Bank of England, New Issues, Watling Street, London, EC4M 9AA.

[b] A separate cheque, made payable to "Bank of England" and crossed "FFI Loan Stock", must accompany each application.

[c] If this declaration cannot be made it should be deleted and reference should be made to an Authorised Depositary, or, in the Republic of Ireland, an Approved Agent, through whom lodgment should be effected. Authorised Depositaries are listed in the Bank of England's Notice EC 1 and include most banks and stockbrokers and solicitors practising in the United Kingdom, the Channel Islands or the Isle of Man; Approved Agents in the Republic of Ireland are defined in the Bank of England's Notice EC 10.

[d] The Scheduled Territories at present comprise the United Kingdom, the Channel Islands, the Isle of Man, the Republic of Ireland and Gibraltar.

BUSINESS AND INVESTMENT OPPORTUNITIES

READERS ARE RECOMMENDED TO TAKE APPROPRIATE PROFESSIONAL ADVICE BEFORE ENTERING INTO COMMITMENTS

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01-370 6824 (5 lines)

Would you like to EXPORT to EAST EUROPE but don't know how?

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M. R. LECLERC & CO.
Pharmaceuticals and Chemicals
Vordergasse 43 8200 Schaffhausen Switzerland

INTERNATIONAL BIDDING

Sociedade de Cereais Bertol Ltda. foreseeing the implantation of an industrial unit located in Passo Fundo—Rio Grande do Sul is interested in acquiring machines and equipment for the extraction of vegetable oils.

The purpose of this communication is to invite interested parties to present their proposals in writing to the following address:

Rua Marques de Itu, 58, 7th Floor
Conjunto 7A, CEP 01223
Sao Paulo, S.P., Brazil

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Group of garages in prime positions. Excellent profit record and current figures available.
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Company engaged in reclamation industry requires assistance for financing advantageous purchase of the freehold of its London premises. Mortgage preferred but alternatives considered.

Write Box E9401, Financial Times, 10, Cannon Street, EC4P 4BY.

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All types of spray painting and stove enamelling carried out. Long or short runs. Collection and delivery service South England. Other deliveries arranged.

Write Box E.9405, Financial Times, 10, Cannon Street, EC4P 4BY.

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Turnover and profit immaterial.
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Despite the current recession in the world tanker market there are still

SOUND INVESTMENT POSSIBILITIES

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a Company situated in good industrial area within easy reach of London, Southampton and Bristol. Engaged in Plastic Extrusion closely associated with Electric Cable making, Aeronautical, Shipbuilding, Civil and Electrical Engineering Industries. Principals only.

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Are you complying with the welter of recent legislation on employment, health and safety, pensions, company law, etc? Experienced qualified company secretary will advise on retained or assignment basis.

Write Box E.9398, Financial Times, 10, Cannon Street, EC4P 4BY.

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Leading Indian manufacturers of full range of wire nails has immediate capacity available at highly attractive prices. Managing Director at present in London. Can be contacted on 01-439 4503.

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CHOICE OF 60 Used Fork Lift Trucks finished in manufacturers' colours. Diesel, electric or gas operated. Capacities 1,000 lbs to 81,000 lbs. Also 81,000 lbs. Container Handler Sideloader 3500 series. Lists sent on request. Trade and export welcomed. Large reduction on bulk purchase. Birmingham Fork Lift Truck Ltd., Hams Road, Saltley, Birmingham B8 1OU. Tel: 021-327 2844-5 or 021-328 1705. Telex: 337352.

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TECANOR S.A.—Textil Catarinense Do Nordeste, foreseeing the enlargement of an industrial unit located in Paulista, Pernambuco, is interested in acquiring machines and equipment for the textile industry.

The purpose of this communication is to invite interested parties to present their proposals in writing to the following address:

Rua Marques de Itu, 58, 7th Floor
Conjunto 7A, CEP 01223
Sao Paulo S.P., Brazil

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We are acting on behalf of an old-established medium-sized London firm which has two or three vacancies for Partners or Associated Members, due to retirement. Our client will consider either Partnership or a Commission-sharing basis. Single Members, or Attaches, or a small Group, with a good quality clientele (private client or institutional) should send us a letter for forwarding in strictest confidence to our client. Please state any firms to which the letter should not be sent.

Write to:
Neville Jones,
MESSRS. ARMITAGE & NORTON,
Hazlitt House, 28 Southampton Buildings,
Chancery Lane, London, W.C.2.

WANTED

CAPITAL GAINS TAX LOSS COMPANY

With £500,000 agreed loss

Indemnities will be required from Vendors to cover usual financial matters.

Write Box E.9402, Financial Times, 10, Cannon Street, EC4P 4BY.

AGENT REQUIRED

U.K. and/or U.S.A. with contracts in the power transmission (flexible rubber couplings) and automotive industries by member company of a large public company.

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Technical and Industrial Sales? Wish facilities and back-up in U.K. and U.S. We can start your exports of electronic/lab./etc. products. Geoff Planner, 110, Windmill Road, Sunbury, Middx.

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For further information please contact: Box No. F.501, The Financial Times, 10, Cannon Street, EC4P 4BY.

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desires to act as agent for import and export of Industrial Food items. Will be in London week of March 5th for discussions.

Please write Box E.9409, Financial Times, 10, Cannon Street, EC4P 4BY.

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Thermal insulation company located south of England with turnover in excess of £250,000. Cash terms negotiable. Strictest confidence assured.

Write Box E.9403, Financial Times, 10, Cannon Street, EC4P 4BY.

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£100,000 MORTGAGE required on modern Hotel situated principal seaside town in N.W. England. Present market value £300,000. Principals only. Apply to Box E.9407, Financial Times, 10, Cannon Street, EC4P 4BY.

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Birmingham B2 5NN
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TAX LOSS COMPANY

FOR SALE

Investment company with:—

1. Capital losses: £242,000.
2. Trading and management losses: £21,000.
3. Directors' loans (transferable): £85,000.

All agreed with Inspector of Taxes.

No assets or liabilities.

Reply in confidence to:
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In an old established and well known firm of Estate Agents and Surveyors, with prestige offices in the West End of London. An injection of business and young qualified Partners with adequate funds would be an attraction. May suit institution or large industrial concern. Enquiries from principals only will be replied to.

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Privately owned French Villa Company is interested in partnership to promote camping holidays in France. Write Box E.9298, Financial Times, 10, Cannon Street, EC4P 4BY.

(SCOTTISH) ENGINEERING COMPANY WANTED

U.K. Company wish to acquire a small engineering company within a 40-mile radius of Glasgow. It must have a general machine shop manufacturing its own end product, preferably with some experience in the bottling industry. Write Box E.9387, Financial Times, 10, Cannon Street, EC4P 4BY.

CAPITAL

required by small private group to take advantage of expansion and new venture. Active participation and board appointments will be considered for individual or other company. Minimum investment £300,000. Principals only. Please reply to: Box E.9361, *Financial Times,* 10, Cannon Street, EC4P 4BY.

CONFIRMING

Export Merchants having fully experienced staff dealing with confirming transactions in major markets seek co-operation to develop further business with companies able to provide suitable lines of Bank Credit.

Write Box E.9404, *Financial Times,* 10, Cannon Street, EC4P 4BY.

Property Dealing Company

for sale with tax losses of £25,000 owning small block of flats in central London.

Balance sheet:

Share capital	£1,000
Directors loans	£74,000
Property	£50,000
P. & L. A/c.	£25,000

STANDARD GUARANTEE LTD.,
17a, Connaught Street, London, W.2.
01-402 7113.

COMPANY WITH AGREED CAPITAL GAINS LOSSES OF NOT LESS THAN £100,000 REQUIRED

Replies in confidence to:
STILGOES SOLICITORS
3 Duke of Yorks Street
St. James's, London SW1Y 6JS

A U.K. EDUCATED Arab-speaking businessman frequently travelling to Saudi Arabia is willing to undertake assignments. Write A. Mason, 57 Cavendish Rd., London, NW6.

PRIVATE INVESTOR required for a limited company of scrap metal processors in the north east of England undertaking expansion plans. Apply Box E.8322, Financial Times, 10, Cannon Street, EC4P 4BY.

PUBLIC COMPANY Director and accountant is prepared to assist companies with cash flow problems and in certain situations invest capital. 01-688 1303/1674.

LIECHTENSTEIN sovereign arm for any activities for sale. Tax lump sum 1,200 Swiss francs P.A. Price: £5,000. Also London 01-397 9532.

START A small Import-Export Agency. Work at home by Post. Wade (Consultants), Ltd., Dept. F, P.O. Box 9, Sutton, Surrey.

MANAGEMENT SERVICES LTD. Sole owner retiring wishes to sell name. Phone 01-657 8817.

ISLE OF MAN: Douglas seafront 140-bedroomed Hotel for sale. Apply Box E.8904, Financial Times, 10, Cannon Street, EC4P 4BY.

WALL STREET + OVERSEAS MARKETS + FOREIGN EXCHANGES

Index down 1.58 after early firmness

BY OUR WALL STREET CORRESPONDENT

NEW YORK, Feb. 7.

STOCKS, unable to sustain early firmness, turned lower on Wall Street to-day as investors continued to worry over the effects of the recent cold wave and the Administration's proposed stimulus package on the U.S. economy.

The Dow Jones Industrial Average recorded a loss of 1.58 on the day at 942.31, but the NYSE All Common Index was still 2 cents up on balance at $55.48. Declines topped advances by 720 to 702, while turnover was down 2.4m. shares at 20.7m., compared with last Friday's level.

The market drew some encouragement early in the session from the return to work this morning of thousands idled by the Arctic weather conditions and resulting shortage of natural gas.

However, analysts remain concerned about the effects of weather-related shutdowns on Corporate earnings.

In to-day's economic news, U.S. consumer credit in December showed its biggest jump since mid-1973, but the period was ahead of the cold spell.

Milgo Electronics added $2¼ at $37¼: Applied Digital Data has received about 45 per cent. of Milgo in its tender offer, which has been extended.

Sears Roebuck gained $1⅞ to $63¼ on its two-for-one stock split proposal, dividend increase and 20 cents extra dividend.

Inexco Oil was ahead 2¼ to $18¾ on sharply improved fourth-quarter net earnings.

THE AMERICAN S.E. Market Value Index gained 0.27 at 113.22, while advances were in the majority by 343 to 316 declines. Turnover 3.23m. shares (3.34m.).

Texstar, the most active issue, were lifted $1⅞ to $7⅝ on the offer from Avnet.

International Systems lost $2⅛ to $18¼ on sharply lower second-quarter earnings, while Banister Continental declined $1 to $12⅞ on the drop in third-quarter earnings.

MONDAY'S ACTIVE STOCKS

	Stocks traded	Closing price	Change on day
Gulf & Western Ind.	508,300	15½	+⅛
Gulf & W. Ind. Wts.	257,200	1⅞	+⅛
Dow Chemical	245,800	37⅞	−⅞
Inexco Oil	215,300	18¾	+2¼
Lykes Youngstown	205,500	12⅛	−⅛
Columbia Pictures	207,600	11⅛	+⅛
Occidental Petrolm.	169,000	24⅞	—
Continental Oil	168,600	38⅛	−⅛
Texas Oil and Gas	152,700	31	+⅛
Exxon	151,900	53⅛	+⅛

OTHER MARKETS

Canada easier

Prices on Canadian Stock Markets showed a downward bias after light trading, the Toronto Composite Index losing 2.5 to 1,005.2.

The Metals and Minerals Index weakened 8.2 to 1,130.0, but moving strongly against the trend were Golds, their Index rising 9.1 to 384.4, while the Oils and Gas Index moved ahead 4.4 more to 1,132.3.

Banister Continental fell $1¼ to $13¼ on lower third-quarter earnings.

PARIS—Often lower, reflecting the Paris transport workers' strike planned for Wednesday and also by yesterday's wage negotiations for Railway, Gas and Coal industry workers.

Banks, Metals and Chemicals led the declines. Thomson CSF were fractionally lower despite a 17 per cent. rise in 1976 turnover.

Holding steady were Seoa, after announcing higher profits and Prenatal, which reported a fall in turnover.

Germans and Canadians weakened, while Americans, International Oils and Coppers were irregular.

Golds rose.

BRUSSELS—*Mostly higher in fairly calm trading.*

Hoboken rose Frs.35, GB Frs.20, and Cockerill also Frs.20, while Reserve and Sidro also gained ground, but EBES fell Frs.35 to Frs.2,175 after announcing a Frs.2.79bn. proposed capital increase.

U.K. and U.S. shares were mixed, Germans little changed, French stocks mostly lower and Dutch slightly off.

Gold Mines were steady.

AMSTERDAM—Quietly mixed, reflecting the start of strikes in Ports and Industry.

Royal Dutch and Hoogovens gained some ground in generally easier Dutch Internationals.

Rises elsewhere were led by Bergoss, Fokker and Ennia, but Gist Brocades and Bijenkorf, lost Fls.2 each, while Pakhoed shed Fls.1.5, and Amfas and HVA were each also lower.

Most State loans were easier.

GERMANY—Mixed, following lack of demand.

Leading Banks, Chemicals and Electricals were slightly lower, but Motors and Engineerings hardened. Steels lost between DM0.50 and DM1.50.

Domestic Bonds showed DM0.20 movements either way, with the Regulating Authorities selling DM17.5m. of stocks. The 7½ per cent. Thyssen Corporate Bond was quoted by banks ½ per cent. below its 99.5 per cent. issue price. Foreign Mark Loans were mixed.

SWITZERLAND—Markets displayed an easier bias in generally listless activity.

Banks were little changed, while Insurances were narrowly mixed and leading Industrials had minor losses.

Bally stocks were notably firmer on speculative buying.

Dollar stocks generally scored small gains, while Germans improved in light volume.

VIENNA—*Quietly steady.*

MILAN—A downward path resumed in quiet trading. Political uncertainties upset sentiment, and a few offers were sufficient to lower prices.

Among Industrials, Olivetti Priv. lost L21 to L928, Pirelli Spa L40 to L1,116, and Snia Viscosa L42 to L1,128.

Bonds were lower after a quiet session.

COPENHAGEN—Irregular after fair dealings.

OSLO—Industrials and Shippings were slightly firmer, but Bankings and Insurances were easier.

JOHANNESBURG—Gold shares were slightly softer in a featureless market.

Financial Mining tended easier in thin trade. Coppers and Platinums were steady, but other Minerals higher. Masuli advanced 20 cents to R4.40 and Gefco 40 cents to R15.60.

Industrials were a shade lower.

HONG KONG—Sharply higher in fairly active trading, extending last week's gradual build-up as buying interest returned following recent dull trading.

Reports from Japan that the Finance Ministry is considering liberalising share investment by Japanese investors in South East Asian markets may also have boosted sentiment.

Hong Kong Bank gained 40 cents to $HK 20.80 and Jardine Matheson the same amount to $HK18.80, while Hong Kong Land and Swire Pacific rose 15 cents each to $HK7.70 and $HK9.15 respectively. Hutchison added 10 cents at $HK3.375.

TOKYO—Inclined higher on sporadic selective buying in some "Blue Chips" and Populars. Volume 250m. shares.

Some Commodity Market-related shares reacted, but Toyota Motor, Y30 higher at Y1,320 Canon, Y18 up at Y598 and Teikoku Oil were in demand.

Precision Instruments, Foods, Pharmaceuticals, Motors and Motor Components were generally firmer, but Resources, Paper-Pulps, Non-Ferrous Metals, Chemicals, Constructions, Dredgings and Shipping Lines declined.

AUSTRALIA — Some Energy stocks were firm in otherwise dull markets.

Pancontinental rose 34 cents to $A8.80 and Central Norseman 15 cents, to $A2.40. Bellambi advanced 40 cents to $A5 on its higher interim profits, but CRA fell 6 cents to $A2.94, and MIM 5 cents to $A2.45.

BHP fell 26 cents to $A7.24, following its warning that the sharp interim profits growth may not be maintained in the full year.

Bank of New South Wales lost 10 cents to $A4.65.

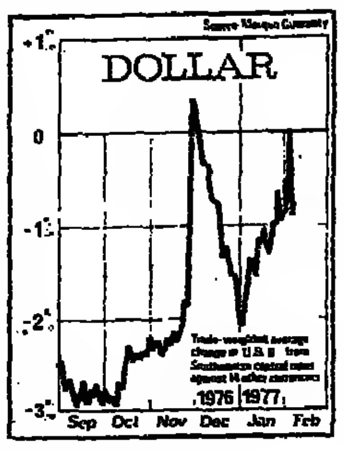
Sterling weaker

Sterling lost ground in the foreign exchange market yesterday afternoon following disappointment at a sharp rise in the wholesale prices index. The authorities may have taken the opportunity to add to the foreign currency reserves in quiet pre-lunch trading, but probably intervened to prevent too sharp a slide by the pound in the afternoon. Sterling opened at $1.7160-$1.7165 in terms of the U.S. dollar, and was fairly steady at $1.7165-$1.7170 until publication of the wholesale prices index, when the rate fell steadily to a low point of $1.7135-$1.7140. The pound closed at $1.7140-$1.7150, a fall of 5 points on the day. Its trade-weighted average depreciation since the Washington Currency Agreement of December 1971, as calculated by the Bank of England, widened to 42.8 per cent. from 42.7 per cent., after standing at 42.6 per cent. at noon and in early dealings.

The dollar was firm against most major currencies in the morning but tended to decline in line with sterling after lunch. Its trade-weighted average depreciation since the Washington Agreement, as calculated by Morgan Guaranty of New York, widened slightly to 0.88 per cent. from 0.84 per cent.

The Spanish peseta traded rather nervously, but intervention from the Spanish authorities helped to stabilise the currency. It touched a worst level of 69.05 to the dollar, before closing at 68.95.

Gold rose $2, to $134-134¼, to close at its highest level since January 4. The krugerrand's premium over its gold content narrowed to 2.88 per cent. from 3.30 per cent. for domestic and international delivery.



SPECIAL DRAWING RIGHTS RATES

One SDR is equal to	Feb. 7	Feb. 4
Sterling	0.671368	0.672774
U.S. dollar	1.15247	1.15327
Belgian franc	42.8258	42.7800
Deutschemark	2.79347	2.78907
French franc	5.73008	5.73572
Italian lira	—	1017.16
Japanese yen	332.142	332.257
Dutch guilder	2.81805	2.81547
Swedish krona	4.82392	4.91466
Swiss franc	2.90711	2.89274

Values are for currencies against the SDR as calculated by the International Monetary Fund in Washington.

EXCHANGE CROSS-RATES

Feb. 7	Frankfurt	New York	Paris	Brussels	London	Amsterdam	Zurich
Fr'okfu't	—	2.417-418	48.62-68	6.622-662	4.14-12	95.75-78	96.06-06
N. York	41.38.40	—	20.10-11	2.700-705	1.7155-7165	39.64-66	39.72-80
Paris	204.07-5.37	4.967-977	—	13.517-402	8.525-550	196.20-45	196.87-7.27
Brussels	15.51-55	37.15-18	7.46-49	—	63.75-85	14.66-69	14.11-74
London	4.13½-14½	1.714-115	8.51¾-52¼	63.35-50	—	4.32¼-33¼	4.31¼-31¼
Am'rd'm	104.47-52	2.5307-5352	50.885-945	6.9145-95	4.3145-3495	—	100.58-65
Zurich	104.06-15	2.5152-62	50.60-4	6.79½-6.82	4.3115-3145	99.58-78	—

U.S. $ in Montreal. U.S. $=102.55-58 Canadian cents.
Canadian $ in New York. C$=97.75-80 U.S. cents. U.S. $ in Milan 882.00-882.50.
Sterling in Milan 1512.25-1515.75

EURO-CURRENCY INTEREST RATES*

Feb. 7	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	W. German mark	Swiss franc
†Short term	12⅛-12½	4⅜-4⅝	7-8	8-2½	3⅞-4⅛	1½-2
7 days notice	12½-13	4½-4¾	7½-8⅛	6-0½	3⅞-4⅛	1⅛-1⅞
Month	13⅛-13½	4⅝-4⅞	7⅝-8⅛	6⅛-6⅜	4⅛-4⅜	1⅛-1⅜
Three months	13⅝-13⅞	5-0⅛	7⅞-8⅛	2⅛-0⅝	4⅛-4⅜	1⅜-1⅞
Six months	12⅜-12¾	5½-5¾	7⅞-8⅛	6⅛-6¾	4⅛-4⅜	1¾-1⅞
One year	12¼-12¾	0-6¼	8-8¼	6⅛-0⅜	4⅝-5	2⅛-2⅝

Euro-French deposit rate: two-day 8¾-10½ per cent.; seven-day 9¾-10½ per cent.; one-month 10½-10¾ per cent.; three-month 10¾-11½ per cent.; six-month 11½-12 per cent.; one-year 11½-12½ per cent.

Longer-term Eurodollar deposits: two years 7¼-7½ per cent.; three years 7½-7¾ per cent.; four years 7¾-8 per cent.; five years 8-8½ per cent.

The following rates were quoted for London normal certificates of deposit: one-month 4 11/16-4 13/16 per cent.; three-month 4 15/16-5 1/16 per cent.; six-month 5¼-5½ per cent.; one-year 5 15/16-6 1/16 per cent.

* Rates are nominal closing rates.

† Short-term rates are call for sterling, U.S. dollars and Canadian dollars; two days' notice for guilders and Swiss francs.

GOLD MARKET

	Feb. 7	Feb. 4
Gold Bullion (a fine ounce)		
Close	$134-134¼	$132-132¾
Opening	$132¾-133½	$132½-133
Morning fix'g	$133.30 (£77.644)	$132.40 (£77.222)
Afternoon fix'g	$134.25 (£78.284)	$132.45 (£77.822)
Gold Coins, domestically		
Krugerrand	$137¼-139¼ (£80-81)	$135¾-137¼ (£79¼-80¼)
New Sov'r'gns	$45½-47½ (£26½-27½)	$45-47 (£26¼-27¼)
Old Sov'r'gns	$43½-45½ (£26¼-26½)	$43½-45½ (£25-26)
Gold Coins, internally		
Krugerrand	$137¼-139¼ (£80-81)	$135¾-137¼ (£79¼-80¼)
New Sov'r'gn	$45½-47½ (£26½-27½)	$45-47 (£26¼-27¼)
Old Sov'r'gn	$41½-43½ (£24¼-25½)	$41-43 (£24-25)
$20 Eagles	$219-222	$217½-220

FOREIGN EXCHANGES

Feb. 7	Bank Rate %	Market Rates Day's Spread	Close
New York	5¼	1.7135-1.7170	1.7140-1.71
Montreal	0	1.7615-1.7666	1.7520-1.75
Amsterdam	5	4.32-4.30	4.32¼-4.33
Brussels	8	63.55-63.90	63.85-63.95
Copenh'gen	10	10.16-10.25	10.16½-10.1
Frankfurt	3½	4.10-4.11	4.13½-4.14
Lisbon	6½	55.30-55.80	54.45-55.6
Madrid	7	118.20-118.60	118.25-118
Milan	15	1,511-1,516	1,512-1,51
Oslo	6	9.034-9.14	9.08¾-9.09
Paris	10½	8.51-8.56	8.51¾-8.52
Stockholm	8	7.30-7.34	7.30¼-7.3
Tokyo	6½	490-496	493-495
Vienna	4	29.55-29.76	29.4-29.5
Zurich	2	4.30-4.34	4.30¾-4.3

* Basic discount. † Rates given are convertible franc. ‡ Financial franc 85.55.

OTHER MARKETS

			Notes Rates
Argn'a	508.24-508.44	Argentina	470-56
Australia	1.5715-1.5870	Austria	29½-3
Brazil	21.42-21.62	Belgium	65-6
Finland	6.56-6.58	Brazil	22½-2
Greece	63.190-64.774	Canada	1.76½-
Hong Kong	7.9660-7.9750	Denmark	10.15-1
Iran	119-128	France	8.45-8.
Kuwait	0.491-0.501	Germany	4.05-4.
Luxemb'g	63.35-63.50	Greece	70-73
Malaysia	4.286-4.2980	Italy	1540-1
N.Zealand	1.7921-1.8168	Japan	4.80-5
Saudi Arab	6.00-6.10	Netherl'ds	430-44
Singapore	4.21-4.2220	Norway	9.05-9.
S.Africa	1.4852-1.4994	Portugal	56½-5
U.S.		Spain	117-12
Canada		Switz'land	4.25-4.
US$—		U.S.	1.71-1
C.S. cents	97.61-97.84	Yugoslav'a	35½-

† Rate given is free rate.

FORWARD RATES

	One month	Three months
New York	1.20-1.10 c. pm	3.48-3.48 c. pm
Montreal	0.80-0.70 c. pm	2.38-2.28 c. pm
Amst'dam	2¼-1¼ c. pm	7¼-6¼ c. pm
Brussels	35-20 c. pm	90-75 c. pm
Cop'nhg'n	¼-2¼ ore dis	1¼-3¼ ore
Frankfurt	3⅛-2⅛ pf. pm	9-8 pf pm
Lisbon	30c. pm-05c. dis	20c. pm-20c
Madrid	20-100 c. dis	180-260 dis
Milan	7-17 lire dis	30-50 lire dis
Oslo	5-3 ore pm	11½-9½ ore pm
Paris	2¼-1¼ c. pm	4¼-3¼ c. pm
Stockh'lm	1 ore pm-par	2½-½ ore pm
Vienna	18-8 gro pm	49-39 gro pm
Zurich	4⅜-3⅜ c. pm	12½-11½ c. pm

Six-month forward U.S. dollar 5.90 c.pm and 12-month 10.00-9.90 c.pm

Indices

NEW YORK —DOW JONES

	Feb. 7	Feb. 4	Feb. 3	Feb. 2	Feb. 1	Jan. 31	1976/77 High	1976/77 Low	Since compilation High	Since compilation Low
Industrial	946.31	947.89	947.14	952.79	956.56	954.37	1014.79 (21/9)	858.71 (2/1)	1051.70 (11/1/73)	41.22 (8/7/32)
Home B'nds*	91.30	91.15	91.26	91.48	91.51	91.55	93.47 (6/1/77)	85.68 (13/7)	—	—
Transport	228.19	227.78	226.66	227.79	226.89	226.62	237.52 (5/1/77)	175.69 (2/1)	279.88 (7/2/69)	10.23 (8/7/32)
Utilities	109.47	109.16	108.90	109.81	109.67	109.64	111.87 (25/1/77)	84.8 (26/5)	160.32 (20/4/65)	10.50 (28/4/42)
Trading vol 000's	20,700	23,150	23,790	26,700	25,780	22,920	—	—	—	—

* Basis of index changed from July 1.

Ind. div. yield %	Feb. 7	Jan. 21	Jan. 14	Year ago (approx.)
	4.30	4.27	4.21	3.91

STANDARDS AND POORS

	Feb. 7	Feb. 4	Feb. 3	Feb. 2	Feb. 1	Jan. 31	1976/77 High	1976/77 Low	Since compilation High	Since compilation Low
*Industrials	113.11	113.09	113.07	113.67	113.85	113.28	120.89 (21/9)	101.64 (2/1)	134.04 (11/1/73)	36.2 (30/6/32)
†Composite	101.99	101.88	101.85	102.36	102.54	102.03	107.83 (21/9)	90.90 (2/1)	125.86 (11/1/73)	4.40 (1/6/32)

	Feb. 3	Jan. 25	Jan. 19	Year ago (approx.)
Ind. div. yield %	3.82	3.87	3.77	3.30
Ind. P/E Ratio	11.09	11.07	11.24	14.06
Long Govt. Bond yield	8.87	8.13	5.81	5.21

N.Y.S.E. ALL COMMON

Feb. 7	Feb. 4	Feb. 3	Feb. 2	1976/77 High	1976/77 Low
55.48	55.46	55.42	55.68	57.88 (31/12)	51.08 (2/1/76)

Rises and Falls Feb. 7

Issues Traded	1,887	Up	702
Down	720	Same	465
New Highs	75	New Lows	12

MONTREAL	Feb. 7	Feb. 4	Feb. 3	Feb. 2	1976/77 High	1976/77 Low
Industrial	180.18	180.42	180.29	180.07	207.33 (19/5)	121.34 (30/11)
Combined	178.60	178.81	178.62	178.72	199.78 (20/5)	162.16 (30/11)
TORONTO Composite	1005.2	1007.7	1005.7	1007.6	1106.2 (13/5/76)	920.1 (30/11/76)
JOHANNESBURG Gold	146.9	147.6	147.6	149.5	226.7 (12/3)	115.3 (25/9)
Industrials	180.1	180.7	180.0	180.6	215.0 (21/5)	175.6 (30/11)

	Feb. 7	Previous	1976-77 High	1976-7 Low
Australia (a)	434.34	438.51	522.55 (30/4)	404.89 (26/11)
Belgium (b)	97.02	96.66	113.18 (5/2)	87.13 (30/10)
Denmark (d)	101.06	101.06	117.70 (19/8)	96.42 (1/12)
France (e)	55.3	56.1	74.3 (3/3)	51.5 (1/12)
Germany (f)	740.3	740.3	821.7 (17/3)	687.7 (29/10)
Holland (g)	82.5	82.4	106.3 (5/2)	77.9 (13/10)
Hongkong (h)	444.65	435.92	465.33 (17/3)	364.63 (2/12)
Italy (k)	69.54	70.06	91.37 (23/2)	64.95 (10/11)
Japan‡ (m)	382.46	382.10	384.14 (4/1/77)	326.28 (6/11)
Singapore (n)	254.63	254.42	286.16 (3/2)	236.35 (2/1)

	Feb. 7	Previous	1966-77 High	1976-7 Low
Spain (q)	—	93.04	100.79 (7/5)	71.44 (10/12)
Sweden (q)	360.60	360.1	476.85 (10/6)	359.1 (1/2/77)
Switz'l'd (r)	287.1	287.3	298.6 (12/5)	260.5 (15/11)

Indices and base dates (all base values 100 except NYSE All Common—50, Standards and Poors—10 and Toronto 300-1,000, the last-named based on 1975. (a) Sydney All Ord. (b) Belgian SE 31/12/63. (d) Copenhagen SE 1/1/73. (e) Paris Bourse 1961. (f) Commerzbank December, 1953. (g) Amsterdam Industrial 1970. (h) Hang Seng Bank 31/7/64. (k) Milan 2/1/73. (m) Tokyo New SE 4/1/68. (n) Straits Times 1966 (p) Madrid SE 31/12/76. (q) Stockholm Industrials 1/1/58. (r) Swiss Bank Corp. 31/12/58. (o) Unavailable. ‡ Excluding bonds. * 400 Industrials. † 400 Inds., 40 Utilities, 40 Finance and 20 Transport. (c) Closed.

OVERSEAS SHARE INFORMATION

Investment premium based on $2.60 per £1—98¾% (102½%).

NEW YORK

Stock	Feb. 7	Feb. 4
Abbot Labs	45⅞	46¼
Addressograph	13½	13¼
Corning Glass	63	64
CPC Int'nation'l	46¼	46⅛
Crane	28	28¼
Crocker Nat	20¼	26⅛
Crown Zellerbach	41⅛	41⅛
Johns Manville	28⅞	29⅛
Johnson Johnson	68¾	68¼
Johnson Control	33⅝	33⅞
Joy Manufactu'g	42½	42½
Kaiser Alumin'm	36	35¾
Kaiser Industries	15⅜	15⅜
Kaiser Steel	32¼	32
Revlon	57	56¾
Reynolds Metals	38⅛	39⅛
Reynolds R. J.	64	64
Rich'son Merrel	25	25
Rockwell Inter	32⅜	32⅝
Rohm & Haas	42½	42¾
Royal Dutch	56¼	55
Xerox	52⅝	52¾
Zapata	13	13¾
Zenith Radio	24⅝	24⅛
Chile 3% 1993	91½	91½
U.S.Treas.4% 1983	122⅝	198½
USTreas4¼%75/85	182⅞	182⅞
U.S. 90 Day bills	4.22%	4.61%

CANADA

Stock	Feb. 7	Feb. 4
Abitibi Paper	9⅛	9¼
Agnico Eagle	3.66	3.25
Alcan Aluminum	26⅛	22½
Algoma Steel	17⅝	17¼
Asbestos	21	81¼
Bank Montreal	15⅞	15¾
Bank Nova Scotia	18⅞	20⅛
Basic Resources	2	9
Bel. Telephone	47¾	47¾
Bow Valley Inds.	23¾	23⅛
BP Canada	9⅛	9½
Brascan	12⅛	12⅛
Brinco	3.55	†3.00
Calgary Power	32¾	33
Canada Cement	7⅞	2
CanadaNWLand	7⅛	7⅛
CanImpBk Com	25⅛	25¼
Canada Indus	16⅛	†18½
Can. Pacific	16⅝	16¾
Can. Pacific Inv.	18½	18⅝
Can. Super Oil	42⅞	42
Carling O'Keefe	2.83	2.82
Cassiar Asbestos	6⅛	6¼
Chieftain Dev.	12⅜	12½
Cominco	38¼	37½
Cons Bathurst	27½	27½
Consumer Gas	14⅝	14⅜
Costain Rich	†9	†2
Decca Resources	7	7⅜
Denison Mines	54⅛	53¼
Dome Mines	46	†44⅝
Dome Petroleum	40¼	40¼
Dominion Bridge	12⅛	†18⅛
Domtar	14⅛	14¼
Dupont	13⅛	13
Falcon'ge Nickel	36	30⅛
Ford Motor Can.	86⅛	87
Genstar	22⅞	23¼
Giant Yel'wknife	6⅞	6⅝
Gulf Oil Canada	27⅛	27½
HawkerSid. Can.	4.90	4.90
Hollinger	†21⅛	29
Home Oil 'A'	28⅝	28¼
HudsonBay Mng	18	†18¾
Hudson Bay	16⅛	16¾
Hudson Oil & Gas	35⅝	30⅛
I.A.C.	15⅛	15⅛
Imasco	25¼	25¼
Imperial Oil	23⅜	23⅛
Inco	32¾	33⅝
Indal	16	14⅛
Inland Nat. Gas	10¼	10⅛
Int'p'r'y Pipe Line	12	13⅛
Laurn't Fin Corp	6⅛	6¾
Loblaw Com. 'B'	2.75	2.80
Mc'mill'n Bloedl	22	22¼
Massey Ferguson	20¼	20⅛
McIntyre Porpne	†31⅛	†31¾
Moore Corpn	33¾	33⅝
Noranda Mines	50⅛	50⅝
Norcen Energy	11¼	11⅜
Nthn Telecom	28⅛	28⅝
Numac Oil & Gas	11⅝	11½
Oakwood Petr'm	1.60	1.48
Pacific Copper M	1.03	1.02
PacificPetroleum	29¼	28⅛
Pan. Can. Pet'm	44¾	24¾
Patino	†14⅝	14⅜
Peoples Dept. S.	5⅝	5⅝
Place Gas & Oil	0.47	0.47
PlacerDevelopmt	†0⅝	21
Power Corporat'n	8⅛	2⅛
Price	9	8¼
Quebec Sturgeon	†3.08	0.62
Ranger Oil	22⅝	28⅝
Reed Shaw	7	7
Rio Algom	28	†27⅝
Royal Bk. of Can.	25¼	25
Royal Trust	18	18¼
Seagrams	24⅜	24
Shell Canada	14⅞	16
Sherritt G Mines	6⅞	5⅞
Siebens O. G.	14⅛	14⅝
Simpsons	5.00	5.13
Steel of Canada	24¾	26⅝
Steep Rock Iron	1.96	1.97
Talcorp	†11¼	11½
Texaco Canada	26⅞	27
Toronto Dom.Bk.	17⅞	17¾
TransCan PipeLn	13⅛	13⅛
Trans. Mount Oil	8⅞	9
Trizec	†10	†10
Union Gas	2⅝	8¾
United Corp "B"	†10⅝	11
Walker Hiram	28¼	28¼
West Coast Trans	28⅛	27¾
Western Geo	13¼	13

a Asked. * Assented. † Bid. ‡ Traded. a New stock.

GERMANY ◆

Feb. 7	Prices Dm.	+ or −	Div. %	Yld. %
A.E.G.	80.8	+0.1	—	—
Allianz Versich	414	−1	18	2.2
B.M.W.	234	+1	18	3.8
B.A.S.F.	157	−0.1	14	4.5
Bayer	137.5	−0.5	14	5.1
Bayer Hypo	275	......	20	3.7
Bayer Vereinsbk.	282.5	+1.5	20	3.0
Commerzbank	193.2	+0.1	18	4.7
Conti. Gummi	67	−1	—	—
Daimler	346.5	......	17	2.5
Degussa	240	+1	18	3.8
Demag	148	+1.5	16	5.3
Deutsche	280	−0.5	20	3.6
Dresdner Bank	224.5	......	20	4.4
Dyckerhoff Zeml.	122	......	6	2.5
Gutehoffnung	177.5	+0.5	14	4.0
Hapag Lloyd	109	......	12	5.5
Harpener Dm100	158	+0.5	9	5.6
Hoechst	141.2	−0.6	14	5.0
Hoesch	46.1	−0.4	—	—
Kali Salz (Dm50)	112	+1	7	3.1
Karstadt	348	+0.6	y20	2.2
Kaufhof	216	......	20	4.6
Klockner (Dm100)	93.5	−0.5	—	—
Klock Humbolt	146.0	......	10	3.3
Krupp Pri(Dm100)	22.5	−0.5	—	—
Kundenkredit Bk	251	+0.5	20	4.0
Linde	265	+0.5	16	3.9
Lowenbrau Dm100	1,750	......	20	1.2
Lufthansa	98.8	+0.8	4	2.0
M.A.N.	162xd	......	14	4.3
M'esmann Dm 50	171	−1.5	17	4.1
Metallgesellschaft	204	+2	10	—
Munch. Ruckvers	420	−15	12	2.1
Neckermann	46	−0.5	y—	—
Preussag Dm. 100	143	−0.2	7	4.9
Rhein West Elect	170	−0.5	17	4.7
Schering	282.5	−0.5	20	3.4
Siemens	260	+0.5	16	4.7
Sudzucker	236	−4	19	4.0
Thyssen	117.8	−0.0	14	5.8
VEBA Akt'schaft	124.1	−0.1	12	4.9
Verein & West Bk	305	......	20	3.0

PARIS

Feb. 7	Price Frs.	+ or −	Div. Frs.	Yld. %
Afrique Occid'tle	295	−8	16.8	5.0
Air Liquide	328	−7	16.5	5.2
Aquitaine	307	−4	82.5	7.5
Beghin	59.5	......	—	—
B.S.N. Gervais	422	−16	37.8	8.6
Carrefour	1,396	−24	5.7	4.0
Chargeurs Reunis	127.0	−0.5	10.5	2.8
Cie Bancaire	290	−2.1	12	4.2
C.G.E.	267	−4	25.8	9.0
CreditCom Fr'nce	102.8	+0.8	10.8	10.5
Credit Foncier	301	−2	28	2.7
Denai N.E.	65.6	−0.6	18.75	28.4
Fr. Petroles	101	−3.5	14.1	14.0
Gal. Lafayette	68	−1.66	—	—
Gen. Occidentale	176	−5.5	8.25	4.7
Imetal	88.5	−1.7	4.95	5.1
Lafarge	188.1	+0.1	15.75	8.3
L'Oreal	850	−20	15	1.8
Machines Bull	28.8	......	1.5	5.6
Michelin "B"	1,158	−51	30.6	2.6
Moet Hennessy	383	−7	11.65	3.0
Paribas	147	−2	18½	11.8
Pechiney	74.6	−1.2	7.5	10.0
Peugeot-Citroen	246.1	−5.9	15	6.1
Printemps	40.3	−0.7	—	—
Redoute	665	−6	22.5	3.8
Rhone Poulenc	74.2	−0.8	2	12.0
Sacilor S.A.	31.2	......	—	—
Suez	207.1	−1	24	11.6
Thomson Brandt	167.5	−4.5	14.25	7.6
Usinor	30	−1	—	—

AMSTERDAM

Feb. 7	Price Fls.	+ or −	Div. %	Yld. %
Ahold (Fl.20)	77.5	+1.5	20	5.2
Akzo (Fl.20)	31.1	−0.3	—	—
Algem Bnk (Fl.100)	315.5	−0.6	21	7.0
AMEV (Fl. 10)	56.0	......	38	6.8
AmroBank (Fl.20)	72.6	......	21	6.6
Van Berkels (Fl.20)	116.3	−0.8	15	6.4
Bijenkorf (Fl.20)	78.5	−2	21	5.8
Boka West'm Fl.10	114.8	+0.8	57½	6.0
Buhrm-Tetterade	66	−0.1	25	7.0
Elsevier (Fl.20)	251	+1	16	1.6
Enni N.V. Bearer	112.8	+2.5	32.4	5.1
EuroComTst Fl.10	62.0	......	30.4	4.5
Gist Brocades Fl.10	51	−2	20	4.0
Heineken (Fl.25)	122.6xd	−1.8	14	2.8
Holland Fund	122.9	+0.2	64.7	5.2
Hoogovens (Fl.20)*	37.6	+0.3	—	—
H'nteDouglas Fl	27.5	−0.1	11	4.0
I.H.C. Holland	14.6	......	10	6.8
K.L.M. (Fl. 100)	90.2	+1.4	—	—
Int. Muller (Fl.20)	37.5	−0.3	10	6.4
Naarden (Fl.10)	37.8	+0.2	—	—
Nat.Ned.Ins'rnce	95.8	−0.6	44.4	4.7
NedCredBk (Fl.20)	47.9	+0.2	18	7.5
NedMidBk (Fl.50)	142.8xd	+0.8	17	5.2
Nutr (Fl.60)	94.4	......	y20	6.6
Nijverdale T. Cate	55	+4	—	—
OCE (Fl.20)	181.0	......	28	3.1
Van Ommeren	162.8	+1.2	10	—
Pakhoed (Fl.20)	86	−1.5	20	5.6
Philips (Fl.10)	27.1	−0.2	14	5.2
RijnSchVer Fl.100	63.6	+0.6	18	28.6
Robeco (Fl.50)	185.6	+0.1	25.2	6.8
Rolinco (Fl.50)	136	−0.6	5	1.8
Rorento (Fl.50)	124.6	......	13.0	5.0
Royal Dutch Fl.20	138.7	+0.8	45.75	6.3
Slavenburg's Bnk	251	−1	19	7.8
Stevin Grp Fl.20	100.5	+1	25	5.5
Tokyo PacHlgs$1	88.5	......	30.3	1.3
Unilever (Fl.20)	125.8	−0.8	38	5.7
Viking Res. Int.$1	42.7	+0.3	30.20	1.3
VMF Stork	70.5	+1.5	14	—

MILAN

Feb. 7	Price Lire	+ or −	Div. Lire	Yld. %
Alitalia Priv.	420	......	—	—
ANIC	400.5	−7.5	—	—
Ausonia Fin.	2,380	+60	120	5.4
Bastogi	820	−5	—	—
Breda	1,720	−5	105	6.0
Burgo	7,450	−50	—	—
Centrool	5,100	......	—	—
CIGA	1,321	−14	—	—
Credital	3,890	−100	235	2.0
Dalmine	285	−11	75	1.5
Erba	1,555	−15	—	—
Fiat	1,871	−28	100	5.3
Do. Priv.	1,342.5	−26.5	100	0.8
Finsider	188	−1	—	—
Generali	37,000	−500	500	13.5
Invest B	1,800	−55	80	4.4
Italcementi	13,100	−190	300	2.8
Italgas	681	+10	—	—
Italsider	269	−2	—	—
La Centrale	6,580	−20	400	6.1
Marelli Ercole	282	8	—	—
Mediobanca	42,160	−190	960	2.3
Mondadori Priv.	920	......	—	—
Montedison	302	−2	—	—
Olivetti Priv.	228	−21	—	—
Pirelli & C.	1,889	−2	110	5.2
Pirelli Spa	1,110	−40	—	—
RAS	60,500	−800	200	1.0
Rinascente	60.75	−1.25	—	—
Rumianca	1,800	......	—	—
S.A.F.F.A.	4,810	−55	200	4.1
S.T.E.T.	1,342	+15	180	1.3
Snia Viscosa	1,128	−42	—	—
Soc. Gen. Immob.	113.8	−0.65	—	—
Unidal	324	+1	—	—

BRUSSELS/LUXEMBOURG

Feb. 7	Price Frs.	+ or −	Div. Frs. Net	Yld. %
Arbed	3,122	−20	160	—
BBL Bq Brx Lamb	1,620	+6	40	2.6
Bekaert "B"	1,950	+20	105	5.4
CBL Cim Br Lamb	1,770	+10	110	6.2
C.B.R. Cement	1,430	−2	70	10.5
Cockerill	080	+20	—	—
E.B.E.S.	2,175	−32	161	7.4
Electrobel	5,510	−40	400	7.3
Fabrique Nat	1,910	......	100	6.2
G.B. Inno-Bm	1,735	+20	70	4.0
Glace St. Roch	3,680	......	00	1.4
Hoboken	3,380	+35	150	4.4
Intercomm	1,715	......	129	7.6
Kredietbank	6,550	+70	245	2.7
La Royale Belge	4,560	−10	265	0.4
Pan-Holding	2,750	......	82.15	7.7
Petrofina	4,095	+110	170	2.7
Photo Gevart	1,210	−2	75	6.3
Pieux Frankl	4,590	......	276	6.1
Soc. Generale	2,190	+50	136	6.2
Soc. Gen. Banque	2,700	+85	175	6.5
Sofina	3,020	......	195	6.3
Solvay 'A'	2,500	......	170	6.8
Traction Elec	2,685	......	160	6.8
U.C.B.	4,165	+16	A125	5.8
Un. Min. (1/10th)	1,008	−8	70	7.0
Vieille Montagne	4,000	......	150	12.0
Wagons Lits	054	......	20	6.3

SWITZERLAND ◆

Feb. 7	Price Frs.	+ or −	Div. %	Yld. %
Aluminium	1,400	......	8	2.1
Bally Hld.	1,310	+40	—	—
BBC 'A'	1,545	−8	10	3.2
Ciba Geigy	1,360	......	22	1.8
Do. Do. Part	1,000	−5	22	2.1
Do. Do. Reg.	037	−2	22	3.5
Credit Suisse	2,735	......	16	3.0
Fischer (George)	640	......	—	—
H'ml Mag-Jel F10	1,140	......	12	1.7
Hoffman LaRoche	87,000	......	550	0.6
Interfood B	2,500	......	20	3.9
LandisGyr (F200)	720	......	—	—
Nestle	3,375	......	78.6	2.3
Do. Reg.	2,045	......	78.6	3.8
Sandoz Br. (F250)	4,825	−25	26	1.0
Do.Br. PartCert	3,650	......	26	7.7
Sauer Arbon	800	−10	8	6.0
Soc. Int. Pirelli	183	−8	14	7.5
Swissair (F.350)	644	+2	5.7	3.1
Swiss Bank Corp.	406	−1	10	2.5
Un. Bank of Switz.	3,315	......	20	3.0
Winterthur Br.	1,925	−5	30	1.8
Zurich Ins. Br.	9,880	−40	40	8.0

COPENHAGEN

Feb. 7	Price Kroner	+ or −	Div. %	Yld. %
Andelsbanken	149¾	......	10	6.7
Burm'str W.A/S.	287	−2½	—	—
Danske Bank	141	......	12	8.5
Dan Provinsbank	154½	......	11	7.1
East Asiatic Co.	283½	+¼	12	4.5
Finansbanken	145	......	13	9.1
For. Bryggerier	365	......	12	5.4
Handelsbank Cop	145¾	......	11	6.9
Papirfabrik For	78¾	−¼	16	12.7
G. Northern Hld.	246	+1½	12	4.4
Nord Kabel	258¼	−¼	12	5.0
Oliefabrik	131¼	−1½	12	8.1
Privatbank	152¼	......	11	7.2
Soph. Berendsen	299	+½	11	3.7
Superfos	250	−¼	12	4.8

VIENNA

Feb. 7	Price %	+ or −	Div. %	Yld. %
Creditanstalt	344	......	10	5.1
Perlmooser	319	+1	9	8.8
Selecta	874	−0.6	48	7.1
Semperit	136	+1	—	—
Steyr Daimler	171	−1	5	2.2
Veit Magnesit	305	+4	22	6.0

AUSTRALIA

Feb. 7	Aust. $	+ or −
ACMIL	†0.25	+0.01
Acrow Australia	†0.64	......
Adelaide Brighton Cem't 50c	†1.20	......
Allied Mfg-Trdg. Indus. $1	†1.50	−0.02
Ampol Exploration	†1.05	......
Ampol Petroleum	†0.64	+0.01
Assoc. Minerals	†2.40	−0.17
Assoc. Pulp Paper $1	†0.24	+0.10
Assoc. Con. Industries	†1.45	......
Aust. Foundation Invest.	†0.86	......
A.N.I.	†1.15	......
Aust. Oil & Gas	†0.10	......
Blue Metal Ind.	†0.76	+0.01
Bougainville Copper	†1.28	−0.02
Broken Hill Proprietary	†7.24	−0.26
BH. South	†1.15	−0.01
Carlton United Brewery	†1.69	−0.01
G. J. Coles	†1.41	−0.01
CSR ($1)	†3.45	−0.01
Cons. Goldfield Aust.	†1.85	−0.05
Container ($1)	†1.50	......
Conzinc Riotinto	†2.94	+0.06
Costain Australia (25c)	†1.75	......
Dunlop Rubber ($1)	†0.97	−0.02
ESCOR	†0.70	......
Elder Smith ($1)	†2.16	+0.01
E.Z. Industries	†2.75	......
Gen. Property Trust	†1.80	+0.01
Hamersley	†2.80	......
Hill 50 Uranium NL	†0.15	......
Hooker	†0.65	......
I.C.I. Australia	†1.74	......
I.A.C. Holdings	†0.81	+0.01
Inter-Copper	†0.30	......
Jennings Industries	†1.22	......
Jones (David)	†1.00	......
Metals Explorations	†0.29	......
MIM Holdings	†2.44	−0.04
Myer Emporium	†1.90	−0.06
News	†1.65xd	......
Nicholas International	†0.80	−0.01
North Broken H'dings (50c)	†1.08	−0.03
Oakbridge	†1.58	−0.02
Oil Search	†0.10	......
Pioneer Concrete	†1.08	......
Reckitt & Colman	†3.26	......
H. C. Sleigh	†0.54	+1.01
Southland Mining	†0.26	−0.02
Stocks & Holdings	†8.60	+0.0
Tooth ($1)	†1.53	+0.01
Waltons	†0.65	......
Western Mining (50 cents)	†1.40	−0.02
Woolworths	†1.21	......

TOKYO ◆

Feb. 7	Prices Yen	+ or −	Div. %	Yld. %
Asahi Glass	544	+2	14	2.0
Canon	598	+18	—	—
Dai Nippon Print	601	+14	18	1.5
Fuji Photo Film	799	+14	15	0.9
Hitachi	225	......	10	2.2
Honda Motors	707	+27	18	1.3
C. Itoh	290	−4	12	2.0
Ito-Yokado	1,870	......	30	0.8
Japan Airlines	2,430	−40	—	—
Kansai Elect. Pw.	751	+4	8	6.9
Komatsu	315	+2	18	2.9
Kubota	300	......	15	2.1
Matsushita Ind.	670	+4	20	1.5
Mitsubishi Bank	287	−1	10	1.7
Mitsubishi Heavy	124	−1	12	4.8
MitsubishiCo.	480	−2	15	1.4
Mitsui & Co.	467	+2	14	1.5
Mitsukoshi	450	−8	20	2.2
Nissan Motor	718	+13	16	1.1
Pioneer El'ctronic	2,270	......	50	0.7
Sanyo Electric	242	−1	12	2.4
Shiseido	1,300	−10	25	1.0
Sony	3,570	......	30	0.6
Taisho Marine	325	−1	11	1.7
Takeda Chemical	201	−6	15	2.8
Teijin	157	−7	12	4.4
Tokio Marine	485	+8	11	1.1
Tokyo Elect. Pwr.	750	−11	10	6.8
Toshiba	120	−2	10	4.2
Toray	128	......	12	4.7
Toyota Motor	1,520	+30	16	0.6

Source Nikko Securities, Tokyo

STOCKHOLM

Feb. 7	Price Kroner	+ or −	Div. Kr.	Yld. %
AGA AB (Kr.50)	177	+1	5.6	3.1
Alfa Laval B (Kr50)	137	−8	5	3.6
Asea (Kr50)	103	+8	6½	4.6
AtlasCopco (Kr25)	139	+1	6	4.6
Billerud	150	......	8½	5.3
Bofors	240	......	9	3.6
Cardo	302	+6	11	3.6
Cellulosa	246	+6	8.5	3.9
Electrolux "B"	121	+1	6	3.8
Ericsson B (Kr50)	81	+1	6½	—
Esselte "B"	246	−4	2	3.2
Fagersta	127	−2	8	6.2
Granges (free)	59.5	+1	—	—
Handelsbanken	282	+2	17½	6.3
Marabou	165	+5	10	8.1
Mo Och Domsjo	180	+8	10	8.3
Sandvik A.B.	225	−1	7	3.7
S.K.F. 'B' (Kr 50)	84	+1	5	6.0
Skand Enskilda	242	+5	16	6.6
Tandstik 'B' K50	96.5	......	5	0.1
Uddeholm	78	−0.5	9	12.5
Volvo (Kr50)	84.0	+2	6	7.1

OSLO

Feb. 7	Price Kroner	+ or −	Div. %	Yld. %
Bergens Bank	102.5xd	......	10	8.7
Borregaard	87	−1	6	—
Creditbank	128.5	+1.0	10	7.8
Kosmos	575	......	20	3.6
Kreditkassen	117.5	+1.5	11	9.4
Norsk Hydro Kr80	261.2	+2.8	12	2.7
Orkla Ind.	75	......	—	—
Storebrand	128.7	−0.3	10	7.2

BRAZIL

Feb. 7	Price Cruz	+ or −	Div. Cruz
Banco Brasil PP.	3.58	−0.01	0.12
Belgo Mineira OP	2.00	+0.05	0.14
Brahma PP.	1.49	−0.01	0.15
Docas Santos OP.	0.92	−0.07	0.16
Lojas Amer OP.	3.00	......	0.20
Petrobas PP.	2.80	+0.01	0.11
Souza Cruz OP.	3.03	−0.02	0.12
Mannesman OP.	2.64	−0.00	0.10
Souza Cruz OP.	3.15	−0.04	0.21
Vale Rio Doce PP	2.28	−0.05	0.11

Vol. Cr.54.5m. Shares 25.9m.
Source: Rio de Janeiro SE.

JOHANNESBURG

MINES

February 7	Rand
Anglo American Corpn.	3.78
Charter Consolidated	†3.30
East Driefontein	8.25
Elsburg	1.20
Harmony	4.60
Kinross	4.10
Kloof	5.50
Rustenburg Platinum	1.50
St. Helena	18.10
Southvaal	4.65
Gold Fields SA	16.25
Union Corporation	3.40
De Beers Deferred	3.77
Blyvooruitzicht	†4.80
East Rand Pty.	†4.20
Free State Geduld	†15.50
President Brand	†13.50
Stilfontein	2.30
Welkom	2.30
West Driefontein	†28.50
Western Holdings	†20.25
Western Deep	†10.40

INDUSTRIALS

African Explos. and Chem.	2.05
Anglo-Amer. Industrial	7.85
Barlow Rand	2.80
Currie Finance	0.45
De Beers Industrial	†7.40
Edgars Consolidated Inv.	†2.20
Edgars Stores	†27.00
Federale Volksbeleggings	†2.10
Greatermans Stores	3.00
Guardian Assurance (SA)	1.10
Huletts	1.70
LTA	1.47
McCarthy Rodway	†0.85
Nedbank	†1.70
OK Bazaars	8.25
Premier Milling	6.50
Pretoria Cement	1.75
Protea Holdings	0.85
Rand Mines Properties	1.80
Rembrandt Group	2.40
Retco	0.50
Sage Holdings	1.30
SAPPI	1.67
C. G. Smith Sugar	5.05
Sorec	0.55
SA Breweries	0.79
Tiger Oats and Natl. Mlg.	8.05
Unisec	0.98

SPAIN ◆

Feb. 4	Per cent.
Asland	118
Banco Lopez Quesada	364
Banco Bilbao	471
Banco Atlantico (1,000)	334
Banco Vanesto (250)	338
Banco Central	409
Banco Exterior	476
Banco General	474
Banco Granada (1,000)	305
Banco Hispano	310
Banco Iberico	390
Banco Ind. Cat. (1,000)	242
Banco Occidental	228
Banco Popular	353
Banco Zaragozano	614
Banco Urquijo (1,000)	409
Banco Vizcaya	387
Banco Zaragozano	414
Bankunion	200
Banus Andalucia	242
Altos Hornos	81.50
Babcock Wilcox	69
CIC	259
Dragados	430
Inmobanif	130
E. I. Aragonesas	84
Espanola Zinc	148
Expl. Rio Tinto	101
Fecsa (1,000)	87
Fenosa (1,000)	99
Finanzauto SA	210
Finanzauto Servicios	215
Gal. Preciados	270
Grupo Velazquez (400)	210
Hidrola	101.25
Iberduero	113.50
Olarra	229
Papeleras Reunidas	135
Petroliber	192
Petroleos	308
Sarrio Papalera	150
Sniace	66
Sogefisa	198
Telefonica	111
Torras Hostench	188
Tubacex	221
Union Elec.	96.50
Union y Fenix	425
Urbis	131.50

FARMING AND RAW MATERIALS

India to buy $26m. of soya oil

By K. K. Sharma

NEW DELHI, Feb. 7.

INDIA WILL import 50,000 tonnes of soyabean oil worth $26m. from the U.S. this year.

The import will be made under a PL 480 loan from the U.S. on easy repayment terms, an agreement on which has been signed.

Further imports of soyabean oil are expected to be agreed in the middle of this year.

The agreement will help the Government's plans to import edible oils in substantial quantities to check current inflationary pressures. As part of this drive the Government has banned the export of castor and linseed oil. The State trading corporation has been authorised to buy edible oils from world markets and its operations will start soon.

Malaysian palm oil output cut

KUALA LUMPUR, Feb. 7.

PENINSULAR MALAYSIAN crude palm oil production fell to 126,842 tonnes in November from 133,775 in October. It was up on the 112,967 of November 1975, preliminary Statistics Department figures show.

The 11 months total for 1976 rose to 1.15m. tonnes (1.03m.).

Peninsular crude palm oil exports also fell to 59,755 (79,141 and 64,144), making a total for January/November of 681,076 (754,221).

Crude palm oil stocks at end-November totalled 126,652 tonnes against 107,216 in October and 132,136 in the same period last year.

East Malaysian crude palm oil production was 12,344 tonnes (14,513 and 12,555), making a cumulative total of 116,275 (109,806).

Reuter

DAIRY FARMERS' CASE REJECTED

FIVE NORTH Devon dairy farmers who brought complaints against the Milk Marketing Board after they lost premium contracts for supplying Channel Island milk have lost their case.

Yesterday's report of the Committee of Investigation for England and Wales, set up under the Agricultural Marketing Act 1958, said the board had "not been guilty of any improper act or omission in its administration of the milk marketing scheme in respect of the complaints."

Further surge in tin and lead markets

BY JOHN EDWARDS, COMMODITIES EDITOR

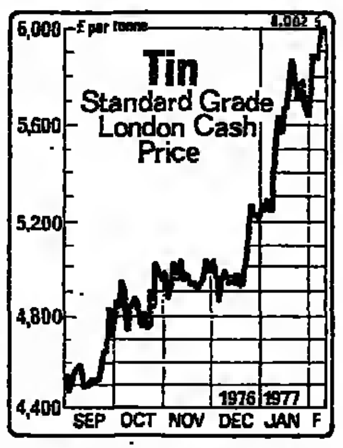
TIN AND lead prices surged to all-time peaks on the London Metal Exchange yesterday in a general upward move in metal values.

Cash tin gained £125 to £6002 a tonne—the first time it has breached the £6,000 mark. The three months quotation advanced by £165 to £6,102.50 and advanced to £6,120 in late kerb trading. Turnover was a hefty 2,805 tonnes despite a distinct reluctance to sell.

The higher trend was set by the further rise in the Penang market over the week-end where the Straits' tin price reached a record $Ma1,534 a picul, $Ma15 above Friday's close.

Once again rationing of bids was necessary, with allocations said to be a low of 15 per cent. in the face of strong demand from the U.S. and European buyers.

U.S. buying interest was believed to be mainly responsible for the recovery in values during the afternoon, after the market had eased on profit-taking. A fall of 40 tonnes in LME warehouse stocks reducing holdings to 4,325 tonnes was a smaller decrease than had generally been forecast.



A special meeting of International Tin Council heads of delegation will be held in London to-day to consider legal opinion on whether the International Tin Agreement can be extended for a year, if Bolivia still refuses to ratify the new pact that came into force provisionally on January 1 for six months.

A special delegation from producer countries in South East Asia, led by Malaysia, is due to visit Bolivia and the U.S. later this month to discuss both the Bolivian refusal to join the Tin Agreement and reported moves in the U.S. for releases from the strategic stockpile.

It was reported last Friday that the U.S. stockpile had only 2,443 long tons of surplus stockpile tin authorised for sale.

Lead values also rose to new peaks, despite a rise in warehouse stocks of 1,325 tonnes to 69,100 tonnes. In active trading conditions, with a turnover of 10,275 tonnes, cash lead gained £10.25 to £358 a tonne and three months rose £12.5 to £370.75 widening the contango (premium of the forward quotation over the cash price).

The surge was attributed to further bullish sentiment, encouraged by the prospect of increased battery sales in the U.S. in the severe winter conditions and continued rumours of further Soviet buying.

It was noted, however, that warehouse stocks have risen for five consecutive weeks, despite reports that a large proportion are already committed for shipment out.

A rise of 2,925 tonnes in copper stocks to a record 618,000 tonnes was ignored by the market, which was more influenced by the rise in New York on Friday night.

After faltering in the face of some influential selling the uptrend was continued with cash wirebars closing £5.5 up at £834.75 a tonne and moving higher on the late kerb.

As expected, zinc stocks showed a small decline of 975 tonnes to 79,625 tonnes, while LME silver holdings fell by 270,000 to 26,970,000 ounces.

EEC move to curb sugar substitutes

BY ROBIN REEVES

BRUSSELS, Feb. 7.

THE EUROPEAN COMMISSION has moved to ban the granting of national investment aids to promote the production of glucose syrup with a high fructose content (isoglucose).

In a letter to EEC member Governments the Commission said it would no longer regard financial aid in this sector as compatible with the Common Market.

This is on the grounds that it believes the production capacity of existing isoglucose plants—estimated at 145,000 tonnes (dry matter) in 1976—is already excessive in a Community faced with surplus sugar production.

"If production of isoglucose develops, the sugar surplus is likely to increase even further."

Member governments have been given a fortnight to submit their comments, but a Council of Ministers' discussion on the subject before Christmas indicated there would be no strong objections.

The powerful European sugar beet lobby has been worried for some time at the development of substitute sweeteners and has been campaigning for action to discourage their development.

There is already a ban on investment aid in the beet sugar sector.

Our Commodities Staff writes: The London daily price for raw sugar was cut £2 to £123 a tonne on the world market yesterday. London futures values eased.

Meanwhile Reuter reported from Tokyo that a five-man delegation from Australia's CSR sugar company will start negotiations with Japanese sugar refiners and importers on February 14 on a proposal to cut the current fixed price of Australian sugar supplies under the five-year contract between the two countries.

Australia is reported to have agreed to a price cut from July, when the current five-year sales contract for 600,000 tonnes at $405 a tonne enters its third year.

Copper pricing proposals

By David Egli

GENEVA, Feb. 7.

POSSIBLE NEW bases for fixing prices in contracts for the sale of copper will be discussed here in a two-week meeting of inter-governmental experts.

The Council of Copper Exporting Countries (CIPEC) will submit detailed proposals for the modification of present contracts, to work out a new and "more equitable" formula which, the Council hopes, may be put into effect as an interim measure prior to the negotiation of a full copper stabilisation agreement.

Coffee over £3,000

By Richard Mooney

COFFEE SOARED to new peaks yesterday in response to news of a dock strike in Holland. Dealers said the dockers' action could have a significant effect on supplies for nearby delivery.

The closure of the Kenya-Tanzania border had a minor bullish effect on the market, though dealers thought this development would have little effect on supplies. By the end of the day May coffee had gained £155 to £3,038 a tonne, passing the £3,000 a tonne mark for the first time.

In Nairobi, meanwhile, the Uganda Government announced the first details of new arrangements for selling coffee on an ex-Uganda-warehouse basis instead of f.o.b. Mombasa due to transport difficulties. Purchasers will have to pay with foreign currency.

Traders said the announcement implied that orders would continue to be accepted by the Ugandan Coffee Marketing Board through its London and New York offices.

In Rome the UN Food and Agriculture Organisation said people seemed to be drinking as much coffee as ever, despite consumer complaints over its price. The FAO forecast coffee production for 1976-77 would fall to between 3.6m. and 3.78m. tonnes—the lowest for 12 years and 800,000 tonnes less than world demand.

● Brazil shipped 1.7m. bags (60 kilos each) of coffee in January, against 2.73m. in December and 920,000 in January last year, the Brazilian Coffee Institute (IBC) said.

Cocoa at new peaks again

By Our Commodities Staff

COCOA PRICES reached records again yesterday in response to significant manufacturer demand. On the London terminal market the May position closed £85.25 higher at £2,451.75 a tonne.

Prices opened as much as £15 a tonne higher, reflecting the strong pre-week-end close in New York. But they fell sharply before being boosted by good physical inquiries in the late morning and early afternoon.

Some traders thought the Dutch dock strike contributed to the "bullish" mood of the market, but most agreed this factor was not as significant for cocoa as for coffee.

Ghana main crop cocoa purchases were within the expected range at 7,320 tons last week and had little effect on prices. This brings the 18-week crop total to 289,784 tons.

NEW ZEALAND

Threat of second sunless summer

BY MARY CHERRY

SUMMER HAS been very slow to arrive in New Zealand this year. In many parts people have been wondering if they are going to have to endure another non-summer like the sunless, cool, wet and windy season of 12 months ago.

It has already hit the pockets of many fruit growers—even around the so-called "sunshine city" of Nelson. Grain and seed growers have been looking anxiously for signs of more settled weather.

Meanwhile, of course, pastures have benefited from the rain.

On a large, well-managed farm on the Canterbury Plain, South Island, which I visited in early January, the wheat and barley crops looked fairly good but unbelievably backward for a time of year when the harvesters should already have been at work.

Aphids

Several hundred acres of white clover being grown for seed were so dense with white flowers as to look like snow but, with ominous black clouds overhead, the bees which should have been busy pollinating appeared to be at home in the banks of hives set along the hedgerow. That potentially very valuable crop certainly wanted some traditional New Zealand sunshine.

Another cloud has appeared on the horizon. Tiny blue green aphids, virtually unknown here until last year, are decimating lucerne crops and starting to appear on the clover. These not only eat the foliage but inject a toxin into the growing head of the plant so it becomes stunted.

The aphid can be controlled by a chemical spray, but more than one spray is likely to be needed in a season and such a practice adds expense. It is certainly not in keeping with New Zealand's traditional and necessary low-cost production policy.

This latest problem represents a major set-back to lucerne which had been becoming an increasingly important and successful crop both for dehydration and for grazing. It is not an easy crop to manage for grazing, but there has been a lot of research into and successful application of grazing management in the past decade. The great value in such areas as the Canterbury Plain and the pumice lands is that lucerne grows green when grass and clover pastures become burnt by drought.

Many livestock farms, encouraged by the productivity and greenness of lucerne, extended their acreages considerably — some sheep farmers in Canterbury had as much as 70 per cent. of their land planted with lucerne.

The first setback to this very productive crop came about three years ago, when the disease called bacterial wilt started to take a toll. This meant growers had to look to America for resistant varieties to replace the susceptible New Zealand lucerne which had proved so good in drought and under grazing management.

Now the serious second setback, the blue-green aphid. Fortunately any reduction in production for grazing will be partly compensated for by the unusually lush grass/clover pastures which have been benefiting from the unseasonal rain.

No doubt the heavy pasture growth is a factor giving impetus to the acceptance by farmers of the Livestock Incentive Scheme introduced last July.

This is a government attempt to halt the serious decline in livestock numbers in New Zealand brought about by successive drought years and a general feeling of uncertainty and insecurity among producers.

Buffer

Both lamb and beef are covered by the Meat Export Prices Act 1976, which came into effect in December. Under its terms a buffer fund, the Meat Income Stabilisation Account maintained with the Reserve Bank, is available to support export prices when they fall below the minimum prices set by a small committee representing government and producers.

It is intended that the buffer fund will be self-balancing, but there is provision for it to be overdrawn if considered necessary.

The lessons of fluctuating incomes have been learnt the hard way in recent years, however, and though confidence in the future of New Zealand lamb exports appears to be high, it is recognised that this alone will not stabilise returns.

Clouded outlook for Australian wool

MELBOURNE, Feb. 7.

SUBDUED ECONOMIC prospects in all major wool consuming countries, continuing strong competition from man-made fibres and slow retail sales in the current northern hemisphere autumn/winter season are among factors clouding the wool textile industry's outlook in 1977, according to the Australian Wool Corporation (AWC).

On the other hand the fashion trend to natural fabrics remains strong, it said in its January "Monthly Perspective."

In Japan figures for last November indicate greasy wool consumption was 5 per cent. above November 1975 with similar rises in wool top and worsted and woollen yarn production.

At the same time yarn and top stocks rose marginally by end-November. But there is little evidence of the workers' year-end bonuses having had significant impact on retail sales.

In Europe activity continues to vary considerably both between countries and sectors of the industry, the AWC said.

In Italy combing activity remains high although greasy wool stocks are above average. There has been evidence of reduced demand for top by spinners. But demand may rise following the reduction of both the foreign currency purchases surcharge and import deposit, the AWC said.

Retail activity in France has been slow with a resultant build-up in retail stocks, and some in the pipeline. Topmakers, however, continue to benefit from strong export orders.

In the U.K. the export market is still buoyant and the domestic market slack.

Overall U.K. textile activity has continued to improve with wool consumption outdoing synthetics. The worsted sector continues to operate at a high capacity in the early stages with woollens less active.

In the U.S., however, November figures indicate total greasy wool consumption continued the lower trend apparent since July and fell below the year earlier level.

Reuter

COMMODITY MARKET REPORTS AND PRICES

BASE METALS

COPPER—Fairly steady on the London Metal Exchange with forward metal opening higher at £865 after local and Commission House short-covering on Friday. During the morning there were some trade back pricing sales and some speculative buying. The price dipped to £860 in the second ring on influential selling but in the afternoon Comex opened firmly and London moved up to close on the Kerb at £866. The advance continued in inter-office dealings after hours. Turnover 17,300 tonnes.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Wirebars				
Cash	831-.5	+6.5	834.5-5	+6.5
3 months	861-.5	+5.5	864-5	+5.75
Settlem't	831.5	+6.5	—	......
Cathodes				
Cash	821-2	+3	824.5-5.0	+5.5
3 months	851-.5	+4.75	855-.5	+7.75
Settlem't	822	+5	—	......
U.S. Smt.	—	......	65.5	......

Amalgamated Metal Trading reported that in the morning cash wirebars traded at £833, 31.5, three months £866, 64, 63, 62.5, 62, 61, 61.5, 61. Cathodes: Three months £851. Kerb: Three months £861, 1.5, 1, 60.5, 60. Afternoon: Wirebars, cash £833.5, 35, three months £866, 65.5, 65, 64, 65, 64.5, 65. Cathodes: Cash £824, three months £854, 54.5. Kerb: Three months £865, 65.5, 66, 65.5.

TIN—Very strong with both cash and forward prices reaching new highs in an active market. The East was higher over the weekend and in London the speculative buying which has been a recent feature of the market continued, aided by influential purchases. Sellers remained reluctant. Pre-market, forward metal traded up from £6,060 to £6,080 before easing to a day's low at the end of the morning of £6,020 after some hedging sales. But in the afternoon the price surged to reach a close of £6,120 on the Kerb. Turnover 2,805 tonnes.

Morning: Standard, three months £6,070, 60, 50, 40, 30, 25, 20, 25. Kerb: Standard, three months £6,025, 30, 35, 40. Afternoon: Standard, cash £6,010, 6,005, three months £6,070, 80, 85, 90, 6,100, 105, 6,100, 10, 105, 10, 15, 20, 15, 10, 100. Kerb: Three months £6,105, 6,100, 6,095, 6,105, 6,120.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	5940-60	+67.5	6000-5	+125
3 months	6020-30	+60	6100-5	+165
Settlem't	5960	+70	—	......
Standard				
Cash	5940-60	+67.5	6000-5	+125
3 months	6020-5	+50	6100-10	+165
Settlem't	5960	+70	—	......
Straits E.	$1,534	+15	—	......
New York	—	......	—	......

LEAD—Very firm in busy trading as new peaks were reached for cash and forward metal. Forward material started pre-market at £368 but lost ground to £365.5 in the rings until some influential buying turned the market round and induced some short covering. In the afternoon the price stayed above £370 and the contango tended to widen. The close on the Kerb was £371. Turnover 10,275 tonnes.

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	355.5-6.5	+10½	357.5-8.5	+10½
3 months	368.5-9	+12	370.5-1	+12.5
Settlem't	356.5	+11	—	......
N.Y. Spot	—	......	20½-22	......

Morning: Three months £368, 7.5, 68, 67, 68. Kerb: Three months £368, 68.5. Afternoon: Three months £369, 70, 69.5, 69, 69.5, 70, 70.5. Kerb: Three months £369.5, 70, 70.5, 71, 72.

ZINC—Steady, following the same trading pattern as lead although the market was not so active. After opening pre-market at £422 forward metal advanced to £425 before easing. However, buying from one particular source and some fresh interest held the market steady around £424 in the afternoon and the close on the Kerb was £425. Turnover 4,900 tonnes.

ZINC	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	408-9	+7	408.5-9.5	+5.25
3 months	423.5-4	+7.25	424-5	+5.62
S'ment.	409	+7	—	......
Prm. West	—	......	37	......

Morning: Three months £423, 24, 24.5, 24, 23.5, 24. Kerb: Three months £423.5, 4. Afternoon: Three months £424, 23, 24, 23.5, 24, 24.5. Kerb: Three months £424.5, 25, 24.5.

* Cents per pound. † On previous unofficial close. ‡ $M per picul.

SILVER

Silver was fixed 0.95p an ounce higher for spot delivery in the London bullion market yesterday, at 264p. U.S. cent equivalents of the fixing levels were: Spot 453.2c, up 5.6c; three-month 458.6c, up 5.5c; six-month 465.8c, up 6c; and 12-month 480.9c, up 5.7c. The metal opened at 261.7-262.7p (449-451c) and closed at 264.3-265.3p (453-455c).

TAKE IN TABLE — — Y————

SILVER per troy oz.	Bullion fixing prices	+ or —	L.M.E. close	+ or —
Spot	264p	+2.95	264.5p	+2.75
3 months	272.8p	+3.05	272.90p	+5.25
6 months	280.3p	+6.5	—	......
7 months	—	......	285.5p	+3.0
12 months	296.7p	+6.2	—	......

LME—Turnover 185 (124) lots of 10,000 ozs. Morning: Cash 264.0, 63.8; three months 273.5, 72.8, 72.5, 72.0, 72.2, 72.1, 72.0. Seven months untraded. Kerbs: Cash 263.7; three months 272.3, 72.2, 72.0. Afternoon: Three months 272.8, 2.9, 2.8, 3.0, 2.9. Kerbs: Three months 272.8, 2.9, 73.0, 3.1, 3.2, 3.3.

JUTE

DUNDEE—Steady. Prices c. and f. U.K. for Feb.-March shipment: BWC £236, BWD £226. Tossa: BTB £252, BTC £236, BTD £225. Calcutta goods easier. Quotations c. and f. U.K. for Feb. shipment 10-oz 40-in. £8.61, 7½-oz. £6.47 per 100 yds., March £8.65, £6.53, April-June £8.76, £6.62. "B" twills £27.27, £27.34 and £27.53 for respective shipment periods. Yarn and cloth very firm.

LONDON—Quiet. Bangladesh White "C" grade Feb.-March £309. Bangladesh White "D" grade Feb.-March £282 a long ton.

CALCUTTA—Quiet. Indian spot Rs.580. Dundee Tossa Four spot Rs.530 values. a bale of 400 lbs.

COCOA

First-hand selling evaporated in the face of heavy Commission-House buying, reports Gill and Duffus. Fresh contract highs were recorded.

COCOA	Yesterday's Close	+ or —	Business Done
No. 6 Con'r't			
March	2476.0-77.0	+45.00	2490.0-2418.0
May	2451.5-52.0	+58.75	2455.0-2385.0
July	2394.0-01.0	+61.00	2396.0-2325.0
September	2304.0-07.0	+80.00	2306.0-2286
December	2120.0-24.0	+78.00	2130.0-2060.0
March	2055.0-75.0	+70.00	2075.0-1990
May	2000.0-25.0	+55.00	—

Sales: 3,783 (5,050) lots of 10 tonnes.

International Cocoa Agreement (U.S. cents per pound): Daily price for Feb. 4 178.88 (178.15). Indicator prices Feb. 7: 15-day average 167.35 (166.20); 22-day average 162.33 (160.61).

COFFEE

Although offerings of Colombians are still hanging over the physical market in New York nearby Robustas were steady, reports Drexel Burnham. A good limit-up performance from C Contract revived confidence in London. Fresh chart and stop-loss buying brought London to all-time highs at the close.

COFFEE	Yesterday's Close	+ or —	Business Done
	£ per tonne		
March	3042-050	+61.5	3050-2950
May	3035-040	+55.0	3050-2940
July	3021-024	+52.5	3025-2925
September	3026-033	+56.5	3035-2925
November	3050-055	+58.0	3040-2935
January	3025-055	+56.0	3040-2950
March	3005-035	+48.0	—

Sales: 3,899 (2,765) lots of 5 tonnes.

ICO indicator prices for February 4 (U.S. cents per pound). Colombian Mild Arabicas 226.50 (previous not available); unwashed Arabicas 247.00; other mild Arabicas 226.83; Robustas 229.00. Daily average 227.92.

RUBBER

UNCHANGED opening on the physical market. Quiet throughout the day, closing on a slightly steadier note. Lewis and Peat reported a Malaysian godown price of 208½ (208) cents a kilo (buyer, February).

No. 1 R.S.S.	Yesterday's close	Previous close	Business Done
March	55.10-55.50	55.80-55.75	55.80-55.25
April	56.10-56.75	56.25-56.50	—
Apr-June	57.20-57.55	57.70-57.80	57.75-57.30
Jly-Sep.	61.20-61.35	61.75-61.80	61.75-61.20
Oct.-Dec	65.25-65.35	65.70-65.75	65.85-65.15
Jan-M'r	67.40-68.00	67.80-68.25	—
Apr-June	68.80-69.25	69.00-69.40	68.75
Jly-Sept.	70.00-71.25	70.25-71.50	—
Oct-Dec	71.25-73.20	71.60-73.40	—

Sales: 38 (129) lots of 15 tonnes.

Physical closing prices (buyer) were: Spot 54p (same); March 52.7p (52.5p); April 53.5p (same).

SOYABEAN MEAL

The market opened 50p up reflecting Chicago. Trading was quiet throughout the day with nervous selling in small volume, reports SNW Commodities.

	Yesterday Close	+ or —	Business Done
	£ per tonne		
February	157.00-55.0	+0.25	158.00
April	158.50-58.2	+0.80	158.80-58.50
June	157.50-57.0	+1.50	161.00-56.00
August	157.50-58.5	+1.65	—
October	155.50-54.5	+1.80	—
December	155.50-49.5	+2.35	—
February	155.00-50.0	—3.35	—

Sales: 89 (88) lots of 100 tonnes.

GRAINS

THE BALTIC — Transhipment grain prices edged a shade lower in quiet early trade. Selective Dutch dock workers' strikes had no immediate effect on sentiment.

Wheat—U.S. Dark Northern Spring No. 2 14 per cent. Feb. £95.10, March £94.85, April-May £86.90 transhipment East Coast. Argentine Milling Feb.-March £73.60, April £73.45 transhipment East Coast. EEC Feed Feb. £88.50, March £90.50, April £90.75 East Coast.

Maize—No. 3 Yellow American/French Feb. £85.75, March £85.50 East Coast.

Barley—EEC Feed/Canadian Feb., £86, March £85.75 East Coast.

MARK LANE—Brokers reported a moderate trade mainly between merchant dealers and prices paid were about unchanged. London paid £90.50 a tonne for Feb. parcels of milling wheat and £91.50 for March. Denaturable quality sold into East Anglia at £89 for Feb. and £90 a tonne for March. Other business included Feb. deliveries of feed barley in East Anglia at £85.50 a tonne. Average sellers' quotations a tonne for delivery London area: Wheat milling March-April £92, denaturable March-April £90.50. Barley, feed, East Anglia Feb. £86.

LONDON GRAIN FUTURES MARKET (GAFTA)—Wheat easy. Close: March £88.80, May £90.85, Sept. £91.80, Nov. £94.80, Jan. £97.80. Business: March £88.65-£88.75, May £91.20-£91.05, Sept. £92.35-£91.75, Nov. £95.65-£94.80, Jan. £98.40-£97.85. Sales: 158 lots.

Barley, easy. Close: March £83.60, May £86.85, Sept. £88.15, Nov. £91.00, Jan. £94.15. Business: March £83.75-£83.65, May £86.20-£86.05, Sept. £88.85-£88.45, Nov. £91.60-£91.50, Jan. £94.25. Sales: 84 lots.

HGCA—Regional and U.K. average ex-farm spot prices for the week to February 3: Non-breadmaking milling wheat—S. East £88.05, Eastern £85.70, E. Midlands £88.10, W. Midlands £87.15, N. East £87.00, N. West £87.75, Scotland £87.20, U.K. £87.15. Feed barley—S. East £83.35, S. West £86.90, Eastern £83.20, E. Midlands £82.75, W. Midlands £83.25, N. East £82.75, N. West £83.85, Scotland £80.95, U.K. £82.80.

EEC IMPORT LEVIES—For to-day in order: current levy plus March, April and May premiums, with previous in brackets, in Units of Account a tonne: Common wheat—82.50, nil, nil, nil (83.26, nil, nil, nil); Durum wheat—127.22, nil, nil, 0.47 (127.22, nil, nil, 2.84); Rye—82.43, nil, nil, 4.75 (82.43, nil, nil, 5.13); Barley 84.51, nil, nil, 4.82 (84.99, nil, nil, 6.34); Oats—87.45, nil, nil, 3.04 (87.49, nil, nil, 3.51); Maize (other than hybrid for seeding)—44.93, 4.37, 4.37, 7.41 (44.93, 5.13, 5.13, 8.17); Buckwheat—All nil; Millet—55.68, nil, nil, nil (same); Grain sorghum—64.44, 1.14, 1.14, 2.05 (58.44, 0.76, 0.76, 3.04).

Also for flours: Wheat or mixed wheat and rye—137.10 (128.17); Rye—99.80 (99.05).

SUGAR

LONDON DAILY PRICE (raw sugar) £123.00 (£125.00) a ton cif for Feb.-March shipment. White sugar £145 (n.a.)

Initial trades were unchanged from overnight levels, reports C. Czarnikow. But Commission-House long liquidation brought a sharp decline and the lows of the day were reached. Support was then uncovered and by noon prices were holding midway in the range. Arbitrage buying during the course of the afternoon produced a steadier tone.

Sugar Pref. Comm Con.	Yesterday's Close	Previous Close	Business Done
	£ per tonne		
March	127.75-28.25	129.05-29.50	129.00-26.50
May	130.50-30.70	131.75-31.80	131.75-27.50
Aug.	131.45-31.50	132.75-32.85	132.75-30.00
Oct.	133.40-33.50	135.00-35.25	135.00-32.00
Dec.	136.00-36.50	137.25-37.30	136.75-34.00
March	139.50-39.80	140.50-40.75	139.90-38.30
May	140.00-40.50	141.75-41.80	140.60-39.75

Sales: 5,029 (2,256) lots of 50 tonnes.

Tate and Lyle ex-refinery price for granulated basis white sugar was £224.00 (same) a tonne for home trade and £191.00 (£193.00) for export.

EEC IMPORT LEVIES—For denatured and non-denatured sugar, effective to-day, in units of account per 100 kilos (previous in brackets): White 19.84 (same). Raw 17.26 (17.03).

WOOL FIXTURES

LONDON—Slightly better following overseas advices, reports Bache.

(Pence per kilo)

Australian Greasy Wool	Yesterday's Close	+ or —	Business Done
March	238.0-39.0	+0.50	239.0-37.0
May	245.0-47.0	+1.50	246.0-46.0
July	253.0-55.0	+5.75	254.0-53.0
October	260.0-65.0	+5.00	—
December	265.0-70.0	+2.50	—
March	268.0-74.0	—	—
May	268.0-77.0	—	—
July	268.0-75.0	—	—

Sales: 27 (75) lots of 1,000 kilos.

BRADFORD—Prices were very little changed. One or two reductions were noted, mainly in crossbreds top quotations. But business is quiet and although there is no real weakness the market is no more than steady.

MEAT/VEGETABLES

MEAT COMMISSION—Average fatstock prices at representative markets in the week to February 5: GB Cattle 57.85p a kg.l.w. (+0.78). U.K. sheep 131.5p a kg.est.d.c.w. (+1.81). GB pigs 57.4p a kg.l.w. (−0.7).

England and Wales—Cattle down 17.5 per cent., average price 57.78p (+0.81). Sheep down 4.4 per cent., average price 132.4p (+1.9). Pigs up 10.4 per cent., average price 52.4p (−0.7).

Scotland—Cattle down 6.1 per cent., average price 58.13p (+0.62). Sheep down 6.0 per cent., average price 129.1p (−0.4). Pigs up 5.2 per cent., average price 52.3p (−0.8).

MEAT COMMISSION—Average fatstock prices at representative markets on February 7. GB—Cattle 58.13p a kg.l.w. (+0.34). U.K.—Sheep 133.0p a kg.est. d.c.w. (+3.4). GB—Pigs 51.0p a kg.l.w. (−1.0). England and Wales—Cattle up 24.7 per cent., average price 58.23p (+1.00). Sheep down 5.4 per cent., average price 134.3p (+2.5). Pigs up 33.2 per cent., average 51.0p (−1.0). Scotland—Cattle up 49.2 per cent., average price 57.69p (−0.42). Sheep down 10.4 per cent., average price 133.8p (+5.4). Pigs up 13.7 per cent., average price 51.0p (−1.3).

SMITHFIELD (Prices in pence a pound)—Beef: Scotch killed sides 45.0 to 49.0. Ulster hindquarters 48.0 to 50.0, forequarters 35.0 to 38.0. Eire hindquarters 49.0 to 50.0, forequarters 35.0 to 37.0.

Veal: Dutch hinds and ends 68.0 to 69.0.

Lamb: English small 48.0 to 50.0, medium 48.0 to 52.0, heavy 40.0 to 43.0, Scotch medium 45.0 to 52.0, heavy 46.0 to 48.0. Imported frozen: N.Z. PL new season 46.0 to 47.0, PM new season 46.0 to 47.0.

Pork: English, under 100 lb 32.0 to 38.0, 100-120 lb 32.0 to 37.0, 120-160 lb 31.0 to 36.0.

COVENT GARDEN (prices in sterling)—Imported produce: Oranges—Spanish: Navels/Navelines 2.20-2.80; Jaffa: Shamouti 3.25-4.10; Egyptian: 2.50; Cypriot: Navels/Ovals 2.80-3.20; Moroccan: 2.50. Satsumas—Spanish: Trays 20 lbs 2.80-3.00. Lemons—Italian: 0.80; Cypriot: 2.40-3.30; Jaffa: 3.10-3.60. Grapefruit—Jaffa: 3.10-3.65; Cypriot: 3.40-3.20; 4-boxes 2.00-2.20. Plums—S. African: Per pound Santa Rosa 0.30-0.35, Wickson 0.30-0.32, Gaviota 0.34-0.35, Red Ace 0.24-0.25. Grapes—Spanish: Almeria 4.20-4.30; S. African: Queen of the Vineyard 5.00, Alphonse Lavallee 3.50; Californian: Per pound Red Emperor 0.47. Dates—Algerian: 0.30-0.35; Tunis: 0.32-0.34. Apples—French: Golden Delicious 2.00-2.60, Stark Crimson 2.00-2.40, Granny Smith 3.30-3.60; Italian: Per pound Golden Delicious 0.10, Granny Smith 0.15, Starking 0.10, Romor 0.09; Belforts 0.08; Tyrolean: Starking, cellpack 0.10-0.11; Hungarian: 40-lbs Starking 4.30. Pears—Per pound: Italian: Passacrassane 0.06; French: 0.08. Melons—Spanish: Per 15-kg cases 8.00; Peruvian/Venezuelan: 6.50. Tomatoes—Canary: 3.00-3.80. Onions—Spanish: 6.70-7.40; American: 6.00-6.20; Polish: 7.00. Cucumbers—Canary: Per 10/16 prepacked 2.50-3.20. Celery—Israeli: Prepacked 4.00; Spanish: 3.20-3.80. Lettuce—Dutch: 24 3.00; French: 12 1.60.

English produce: Apples—Per pound Bramley's Seedling 0.07-0.10, Cox's Orange Pippin 0.10-0.18. Pears—Per pound Conference 0.07-0.10, Comice 0.10-0.12. Potatoes—Per bag 4.00-5.00. Carrots—Per net 12½-kg 1.50-2.60. Lettuce—Per 12, round 1.20-1.60. Celery—Per 18/30 prepacked 3.50; dirty 10 0.70-1.00. Cabbages—Per net 4.00. Spring greens—Per net 4.00. Cauliflowers—12's 3.00-3.30, 18's 2.50-3.00. Swedes—Per 28 lbs Devon 1.10, Yorkshire 1.60, Scottish 0.90. Parsnips—Per 28 lbs 2.20-2.50. Mushrooms—Per pound 0.30-0.35. Rhubarb—Per pound 0.14-0.16. Onions—Per 25 kgs 4.50-5.00.

PALM OIL

LONDON PALM OIL—In a follow-through of Friday's steady tone 13 lots traded. The European market in edible oils was quiet all day but with steady undertone, reports Sime Darby. Malaysian palmoil continues to secure a premium at origin. Close: Feb. 305-285, April 298-297, June 298-285, August 298½-295½, Oct. 299-286, Dec. 299-296, Feb. 304-294.

*

COTTON—Liverpool: Spot and shipment sales amounted to 338 tonnes. Further demand came forward for a wide variety of American-type cotton, reports F. W. Tattersall. Turkish, Iranian and Russian provided the bulk of the off-take, with additional support in African and Latin American growths.

PRICE CHANGES

Prices per ton unless otherwise stated.

	Feb. 7 1977	+ or —	Month ago
Metals			
Aluminium (a)	£800	....	£810
Free Market (cif)	$960-65	....	$895-910
Copper			
Cash Wire Bars (a)	£834.75	+0.5	£822.6
3 months do. do. (a)	£864.5	+5.75	£874.7
Cash Cathodes (a)	£825	+5.5	£776.5
3 months do. do. (a)	£855.25	+7.75	£811.5
Gold ... Troy oz.	$134.37	+2.0	$131.375
Lead Cash (a)	£358	+10.25	£316.125
3 months (a)	£370.75	+12.5	£326.25
Nickel (a)	£3,159	......	£3,214
Free Market (cif)(lb)	$1.88-2.1	....	$1.95-2.1
Platinum (b) troy oz.	£97-102.5	......	97-102.5
Free Market	£94.2	+0.5	£87.9
Quicksilver (76lb)(c)	$150-160	......	$130-140
Silver Troy oz.	264p	+2.95	256.55p
3 months	272.8p	+3.0	266p
Tin Cash (a) §	£6,002	+125	£5,782.5
3 months (a)	£6,102.5	+165	£5,825.5
Wolfram 22.04 lb. cif	$171-175	+1.0	$141-144
Zinc Cash (a) §	£409	+5.25	£322.75
3 months (a)	£424.5	+5.87	£410.25
Producers (w)	$795	....	$795
Oils			
Coconut Malayan	‡	....	‡
Groundnut	£587	....	£552
Linseed Crude (a)	‡	....	£450
Palm Malayan (a)	$505q	....	$452
Soyabean (a)	‡	....	‡
Seeds			
Copra Philip (a)	$385	−2.5	$385
Gr'nuts Nigerian	‡	....	‡
Linseed Can. No.1	£135.7q	....	£135
Grains			
Barley EEC	£85	−1.0	£82.70
Home Futures	£83.0w	−0.25	£81.55
Maize			
French No. 3 Am.	£85.75	−0.0	£83.0
S.A. Yellow	‡	....	‡
Wheat			
No. 1 Red Spring	‡	....	‡
No. 2 Hard Winter	‡	....	‡
Australian (f.a.q.)	‡	....	‡
English Milling (f)	£92w	....	£87.25
Cocoa Shipment (a)	£2,545	....	£2,200
Futures May	£2,451½	+85.25	£2,085.5
Coffee Futures Mar. (a)	£3,050	+155.0	£2,382.5
Cotton 'A' Index cent	82.55	−0.05	78.3
Jute UA BWC (d)	£322r	....	£322
Rubber kilo	54p	....	52.75p
Sisal EA3L (a)	$600	....	$600 h
Sugar (Raw) (a)	£125	−2.0	£108
Wooltops 64s ... kilo	301p	....	306p
Cloves (Madagascar)	£5,000r	....	£5,000
Pepper White ... ton	$2,560r	....	$2,500
Black ... ton	$2,275r	....	£2,160

* Nominal. † Seller. ‡ Unquoted. § Unofficial close. ♣ Indicative price. q Seller's quotation. b U.K. and Commonwealth refined. c Uganda Robusta standard grade indicative prices f.o.b. Mombasa U.S. cents a pound. d Bangladesh white "C." h Jan.-Feb. i Jan.-March. l April-June. k March-April. p April-May. r Feb.-March. u Metric tons. w March.

FINANCIAL TIMES

Feb. 7	Feb. 4	Month ago	Year ago
269.71	266.81	250.84	178.94

(Base: July 1, 1952=100)

REUTER'S

Feb. 7	Feb. 4	Month ago	Year ago
1612.0	1610.4	1578.5	1212.9

(Base: September 18, 1931=100)

DOW JONES

Dow Jones	Feb. 7	Feb. 4	Month ago	Year ago
Spot	398.55	395.41	376.50	303.62
Futures	392.82	389.28	369.73	297.42

(Average 1924-25-26=100)

MOODY'S

Moody's	Feb. 7	Feb. 4	Month ago	Year ago
Spie Commod'y	902.4	897.3	869.1	773.8

(December 31, 1931=100)

*

COPRA, Philippines—Feb.-March $383 a tonne resellers cif North European ports

U.S. Markets

Port strike puts coffee limit up

NEW YORK, Feb. 7.

COPPER closed higher on commission house and local buying with trade selling. Silver traded on the highs of the day after Reuters announced a proposed bill for stockpile sales. Grains closed about unchanged on mixed trading. Coffee closed limit up on reports of a port strike in Amsterdam and Rotterdam, Bache comments.

Cocoa—Ghana spot 201 (199). Bahia spot 201 (196). March 184.50 (180.50), May 180.55 (176.55), July 175.15, Sept. 160.30 nom., Dec. 155.30, March 149.70 nom., May 145.35 nom. Sales: 1,345 lots.

Coffee—"C" Contract: March 235.90 (227.64), May 230.82 bid (227.82), July 230.88 bid, Sept. 231.31 bid, Dec. 226.67 bid, March 224.00 bid. Sales: 870 lots.

φGold—Feb. 135.00 (133.50), March 136.10 (133.70), April 136.40, June 137.50, Aug. 138.80, Oct. 140.10, Dec. 141.40, Feb. 142.70, April 144.00, June 145.30. Sales: 3,462 lots.

Cotton—No. 2: March 74.90-75.00 (74.00), May 74.70-74.85 (73.65), July 74.95, Oct. 70.20, Dec. 66.85, March 67.15, May 67.55-67.75, July 67.75-67.53. Sales: 3,050 lots.

Copper—Feb. 66.30 (65.50), March 66.50 (66.00), April 67.00, May 67.50, July 68.50, Sept. 69.40, Dec. 70.50, Jan. 70.80, March 71.60. Sales: 4,200 lots.

†Lard—Chicago loose n.a. New York prime steam n.a.

††Maize—March 256-256½ (255¾), May 262-261¾ (261½), July 267½-267, Sept. 269¼, Dec. 273¼-273, March 279½.

‡Platinum—April 163.50 (162.60), July 166.00 (165.30), Oct. 168.50, Jan. 171.30, April 170.00, July 177.00-179.00. Sales: 935 lots.

‡‡Silver—Spot 454.30 (450.00), Feb. 451.40 (450.60), March 452.60 (452.30), April 455.10, May 457.50, July 462.30, Sept. 467.10, Dec. 474.50, Jan. 477.00, March 481.90, May 486.90. Sales: 11,500 lots.

*Soyabeans—March 732-729 (732½), May 735-736 (736½), July 736-735, Aug. 732, Sept. 705, Nov. 697½-699, Jan. 693½-694, March 699, May 703-702.

bSoyabean Meal—March 211.40-211.20 (210.70), May 212.30-212.50 (212.70), July 212.50-213.00, Aug. 211.50, Sept. 202.70, Oct. 194.00, Dec. 192.00-192.50, Jan. 193.00, March 193.00-194.00, May 193.50-194.00.

Soyabean Oil—March 22.95-22.93 (23.16), May 23.25-23.29 (23.42), July 23.45, Aug. 23.50, Sept. 23.50, Oct. 23.50, Dec. 23.25-23.30, Jan. 23.40-23.35, March 23.45, May 23.45-23.50.

Sugar—No. 11: Spot 8.55 (8.75). March 8.62-8.61 (8.62), May 8.83-8.82 (8.93), July 8.83, Sept. 8.65, Oct. 8.55-8.53, Jan. 8.20, March 9.06-9.10, May 9.12, July 9.15. Sales: 6,090 lots.

Tin—470.00-480.00 asked (460.00-482.00 asked).

**Wheat—March 279-278 (279¼), May 288½-288¼ (288), July 293¼, Sept. 300¼, Dec. 311¼, March 319½-320.

WINNIPEG, Feb. 7. ††Rye—May 99.40 bid (97.70 bid), July 99.50 (97.50), Oct. 98.80 bid, Nov. 97.50 bid.

cOats—May 85.50 (85.80), July 83.80 asked (84.20 nom.), Oct. 85.00 nom.

§Barley—May 93.00 (92.80 bid), July 91.80 asked (92.30 asked), Oct. 92.60 bid.

dFlaxseed—May 287.50 bid (289.00), July 290.00 asked (290.10 bid), Oct. 284.00, Nov. 281.00 nom.

Wheat—SCWRS 13.5 per cent. protein content cif St. Lawrence 378½ (372½).

All cents per pound ex-warehouse unless otherwise stated. * Cents per 60-lb bushel ex-warehouse. φ $'s per troy ounce—100-ounce lots. † Chicago loose $'s per 100 lbs—Dept. of Ag. prices previous day. Prime steam f.o.b. NY bulk tank cars. ‡‡ Cents per troy ounce ex-warehouse. b New "B" contract in $'s a short ton for bulk lots of 100 short tons delivered f.o.b. cars Chicago, Toledo, St. Louis and Alton. ‡ $'s per troy ounce for 50-ounce units of 99.9 per cent. purity delivered NY. ** Cents per 60-lb bushel in store. †† Cents per 56-lb bushel ex-warehouse, 5,000 bushel lots. c Cents per 24-lb bushel. § Cents per 48-lb bushel ex-warehouse, 5,000 bushel lots. d Cents per 56-lb bushel, ex-warehouse, 1,000-bushel lots.

COMPANY NOTICES

CANADIAN NORTH ATLANTIC WESTBOUND FREIGHT CONFERENCE

NOTICE TO SHIPPERS

FREIGHT RATES TO CANADIAN GREAT LAKES PORTS

The member lines of the above conference operating services between the U.K., Northern Ireland and the Republic of Ireland and Canadian Maritime, St. Lawrence River and Great Lakes ports would refer to the concluding paragraph of their press announcement in November 1976 relating to terminal service charges applicable in Canada. The paragraph in question advised shippers of the strong possibility that increases would be announced in Canadian rail haul rates early in 1977 and should this occur it would of course necessitate an upward revision in the conference Great Lakes additional charges.

The Canadian railway companies have now announced an increase in their rail haul rates to become applicable on 1st April 1977 as a consequence of which shippers are advised that, with effect from 1st April 1977, the Great Lakes additionals applicable by conference vessels will be increased as follows:—

	Toronto	Hamilton
Full Container Loads		
Containers 20' in length	Can. Dlrs. 132.00	Can. Dlrs. 152.00
Containers in excess of 20' in length	Can. Dlrs. 250.00	Can. Dlrs. 300.00

All other traffic—charges to be increased by 10 per cent rounded off to the nearest 5 cents.

Atlantic Container Line G.I.E.
Canadian Pacific Steamships Ltd.
Dart Containerline Company Ltd
Manchester Liners Ltd. } Joint Membership
Golden Cross Line Ltd.
Hapag-Lloyd A.G.
Ernst Russ.

CANADIAN ATLANTIC FREIGHT SECRETARIAT LTD., Secretaries.

Cunard Buildings,
Liverpool L3 1QS.
February 1977.

TAVOY TIN DREDGING CORPORATION LIMITED
(In Voluntary Liquidation)

NOTICE TO HOLDERS OF SHARE WARRANTS TO BEARER

NOTICE IS HEREBY GIVEN that a General Meeting of the Members will be held at 56/61, Moorgate, London, EC2R 6BH (6th floor) on Friday, the 25th day of February, 1977, at 12 o'clock noon, for the purpose of receiving the Account of the Liquidator for the year ended 27th November, 1976.

A Member entitled to attend and vote at the above Meeting is entitled to appoint a proxy or substitute to attend and, on a poll to vote instead of him. A proxy need not be a member of the Company. Holders of Share Warrants to Bearer are reminded that they must surrender their warrants through an authorised depositary at the Company's Transfer Office, Lloyd's Bank Limited, Registrar's Department, The Causeway, Goring-by-Sea, Worthing, West Sussex, BN12 6DA. Such lodgement of warrants not less than three clear days before the date of the Meeting will entitle the holders to attend and vote.

Dated 7th day of February, 1977.

A. J. TAPSELL, Liquidator.
56/61, Moorgate,
London, EC2R 6AH.

TELEFONAKTIEBOLAGET L M ERICSSON

6½% LOAN 1986

S. G. WARBURG & CO. LTD., announce that the ninth instalment of Bonds for a nominal value of U.S.$1,200,000 have been purchased for redemption on 15th March, 1977. U.S.$10,000,000 nominal bonds will remain outstanding after 15th March, 1977.

30, Gresham Street,
London, EC2P 2EB.
8th February, 1977.

THE MORTGAGE BANK OF THE KINGDOM OF DENMARK

5¾% Bonds of 1964 Series XIX

S. G. WARBURG & CO. LTD., announce that the eighth instalment of Bonds for a nominal value of U.S.$800,000 have been purchased for redemption on 15th March, 1977. U.S.$5,600,000 nominal bonds will remain outstanding after 15th March, 1977.

30, Gresham Street,
London, EC2P 2EB.
8th February, 1977.

LEGAL NOTICES

No. 00298 of 1977

In the HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matter of A. SALAMONE LIMITED and in the Matter of The Companies Act, 1948.

NOTICE IS HEREBY GIVEN, that a Petition for the winding up of the above-named Company by the High Court of Justice was on the 31st day of January 1977, presented to the said Court by THE DEPARTMENT OF HEALTH AND SOCIAL SECURITY of State House, High Holborn, London, WC2, and that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London, W.C.2, on the 7th day of March 1977, and any creditor or contributory of the said Company desirous to support or oppose the making of an Order on the said Petition may appear at the time of hearing in person or by his Counsel for that purpose; and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.

M. W. M. OSMOND,
State House,
High Holborn,
London, W.C.2.

NOTE.—Any person who intends to appear on the hearing of the said Petition must serve on, or send by post to, the above-named notice in writing of his intention so to do. The notice must state the name and address of the person, or, if a firm the name and address of the firm and must be signed by the person or firm, or his or their solicitor (if any) and must be served, or, if posted, must be sent by post in sufficient time to reach the above-named not later than four o'clock in the afternoon of the 4th day of March 1977.

STOCK EXCHANGE REPORT

Markets turn down sharply on inflationary pressures

Share index 6.3 off at 397.5 and Gilt-edged falls to ⅝

Account Dealing Dates

Option

*First Dealings	Declarations	Last Dealings	Account Day
Jan. 17	Jan. 27	Jan. 28	Feb. 8
Jan. 31	Feb. 10	Feb. 11	Feb. 22
Feb. 14	Feb. 24	Feb. 25	Mar. 8

* "New time" dealings may take place from 9.30 a.m. two business days earlier.

Inflationary fears took hold again in stock markets yesterday and led to lower price levels for both leading equities and long-dated Gilt-edged stocks. The latest FT monthly survey pointing to a revival of business confidence but growing worries about inflationary pressures caused jobbers to mark prices a shade lower at the opening and the hardly robust rallying tendency which subsequently developed was sharply reversed in the late trade following the announcement that the Wholesale Price index in January rose by as much as 3¼ per cent.

Short-dated British Funds were more resistant than most to the prevailing uncertainties, confidence that the trend to lower interest rates will continue leaving gains to about ⅜; quotations in this area were easing off in after-hours' business. The later maturities were showing falls to ⅜ and the Government Securities index shed 0.12 to 65.78.

Special situations were prominent in a much quieter trade in equities in which official markings of 7,036 were just over 1,500 down on last week's daily average. There was no real weight of selling in leading shares which moved irregularly for most of the day, largely on professional activity. Down 3.6 at 11 a.m., the FT 30-share index was showing a net rise of 0.4 two hours later and a loss of 1.4 at 3 p.m.; the late turndown was measured by the fall of 6.3 at the close of 397.5. Losses outnumbered rises in FT-quoted equities by 7-to-4.

Long Gilts weaken

Increasing fears about inflation found reflection in Gilt-edged but it was only in the afternoon that the market became really vulnerable following announcement of the January Wholesale Prices Indices. The longer maturities were particularly sensitive and, after having regained early falls extending to ½, wilted quickly and in the late business were occasionally down a full point against closing losses of ⅝. The continued downturn in short-term money market rates provided comfort for nearer issues which showed gains to ⅛ and more in the case of selected low-coupon stocks, but after-hours' the rises were evaporating as sentiment succumbed to the nervousness at the longer end. Neither reports that the public sector borrowing requirement was likely to be reduced nor the Finance For Industry £50m. loan were factors in the day's proceedings. With the exception of one or two issues, Corporations resisted and

Revived institutional offerings in a market lacking any buying enthusiasm made quite an impression on the investment currency premium which fell to 97¾ per cent. before closing 3½ down at 98¾ per cent. Yesterday's SE conversion factor was 0.7649 (0.7488).

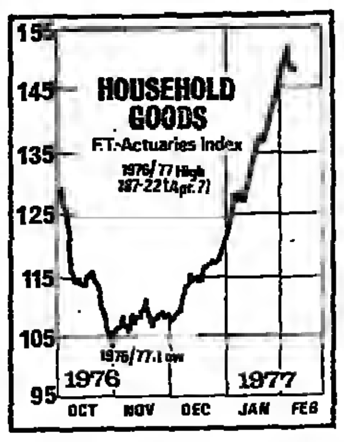
Corinthian wanted

The big four Banks eased with the general trend and once again the volume of business left much to be desired. Barclays shed 5 to 252p as did Lloyds to 205p. Discounts, already unsettled by adverse Press comment, took a distinct turn for the worse in the later trade in sympathy with gilts. Union fell 13 to 315p and Allen Harvey and Ross gave up 15 to 400p. Gillett Bros. cheapened 7 to 183p and Gerrard and National gave up 6 to 142p, while King and Shaxson were 5 off at 50p. The dull sequence was broken, however, by Corinthian Holdings which rose 4 to 13p, after 14p, in Merchant Banks, on speculative buying.

Publicity given to a broker's circular drew buyers' attention to selected Insurance Broking issues. Willis Faber touched 223p before closing 4 to the good at 220p, while similar improvements were recorded in Alexander Howden, 142p, and Sedgwick Forbes, 245p. Composites drifted lower in slack trading. Sun Alliance lost 10 to 398p and Eagle Star were 4 lower at 119p.

Breweries closed on a dull note, Whitbread A finishing marginally easier at 65½p and Allied a penny cheaper at 66p. Amalgamated Distilled Products shaded 2 to 19p, while Distillers were lowered 3 to 130p. Against the trend, Invergordon edged up 2 to 43p.

Buildings were quiet and displayed no set trend. A. P. Cement gave up 5 to 178p and Magnet and Southerns were a like amount easier at 138p, while Taylor Woodrow shed 4 to 270p. After last Friday's jump of 17½ which followed news that the company is involved in bid discussions with an unquoted concern, Shellabear Price cheapened 1½ to 40p. Vibroplant gave up 2 to 94p on the lower interim profits. Burnett and Hallamshire, on the other hand, rose a further 5 to 87p and improvements of 3 and 4 respectively were recorded in Phoenix Timber, 79p, and Ibstock Johnsen, 102p. M. J. Gleeson edged forward a penny to 26p on Press comment and Concrete held steady at 56p in front of to-day's interim results.



Willows Francis followed last Friday's speculative gain of 8 with a further improvement of 4 to 58p. Elsewhere in Chemicals, Enalon Plastics were also firm at 35p, up 5. ICI, however, drifted 4 lower to 348p.

A week-end Press suggestion that the Board will soon enfranchise the shares sparked off a fair amount of interest in Burton A which touched 62p before closing 2 up at 61p following last week's gain of 9; the Ordinary ended 3 harder at 72p. Marks and Spencer, however, receded 2 to 99p as did UDS, to 61p. Blackman and Conrad eased 3 to 37p on the results.

Leading Electricals had little to commend them. EMI, 226p, and GEC, 182p, both gave up 3 in sympathy with the general trend, while Decca, 265p, and the A, 255p receded like amounts in front of to-day's interim results. Philips Lamp gave up 20 to 825p.

Leading Engineerings illustrated the general trend and Hawker finally lost 6 to 490p, while Tube Investments surrendered an early gain of 4 to close unaltered at 350p. John Brown remained popular but after rising to 161p finished with a net gain of 3 at 157p. Elsewhere, renewed speculative support took Desoutter Bros. up to 145p before a reaction to 146p, a rise of 7 on the day, while Ash and Lacy put on 9 to 120p in response to week-end newspaper mention. For a similar reason Westland advanced 2 to 63p, after 64½p, and 600 Group 1 to 76½p. Supported by confirmation of the Middle East sea-water desalination plant order, worth £30m., Weir improved slightly to 79½p. Quick rejection of the Associated Engineering share exchange offer failed to dampen interest in Serck, which traded actively at 88p, up 2. Yarrow, in Shipbuildings, continued their upward progress to close a further 4 higher at 170p.

Lep Group good

The miscellaneous Industrial majors developed a gentle downward drift and, despite trying to rally early afternoon, prices turned off again late to close with losses to 8 as in Glaxo at 450p. Unilever, 432p, Beecham, 412p, and Turner and Newall, 143p, all lost 4 and Rank Organisation receded 3 to 174p. Elsewhere, the 88p a share cash offer announced by Moore Corporation came as a shock to Lamson Industries which fell 15 to 82p; the latter were strong last week on news of a bid possibility. De La Rue were erratic, touching 287p before closing 2 easier on balance at 280p in front of to-day's third-quarter profits statement. Lep Group, on the other hand, opened higher in answer to demand seen late last Friday and continued to rise on persistent support in a thin market, closing 17 to the good at a 1976-77 peak of 145p. Beatson Clark rose 7 to 80p and improvements of between 3 and 5 were recorded in Courtney Pope, 41p, Lead Industries, 156p, and Kelsey Industries, 63p. B. Fertleman hardened 1½ to 32½p on Press comment, while news of Lesney Products' planned redemption of its 11 per cent. Debenture Stock 1990-95 left the latter 24 points higher at £90. Security Services hardened 2 to 58p on the results, while Whitecroft rose 3 to 133p reflecting its successful defence against the proposed Hanson Trust offer.

Motors and Distributors attracted a reasonable business, but closed little changed. Lucas Industries ended a penny off at 236p and Dunlop 2 cheaper at 88p, while Dowty traded quietly before finishing without alteration at 111p in front of to-day's interim statement. Of the isolated firm spots, Lex Service hardened 1½ to 48½p and Lookers 3 to 31p. Dealings were resumed yesterday in McCairn's Motors; the shares opened and closed on the basis of 45p-50p.

Apart from Thomson, which touched a 1976-77 peak of 400p before closing a penny better on balance at 398p, Newspapers generally drifted lower. In Printings, Dolan Packaging shed 3 to 80p, but Ferry Pickering added that much to 40p.

Oils active

Oils filled the first three places in the day's active stocks list. British Petroleum were joint top with local profit-taking just outweighing Continental demand and bringing a close of 6 easier at 936p; Mr. Lever's comment in Parliament that the decision to sell the 20 per cent. ex-Burmah holding was not irrevocable made no impression. Burmah shared the major placing and reached a fresh 1976-77 peak of 80p before easing late to end the turn off at 77p, while Shell were close third and finally 6 down at 518p; investment currency influences brought Royal Dutch back ⅛ to £42½. Tricentrol attracted further early support and rose to 138p before reverting to Friday's closing level of 133p, while Ultramar gave up 2 at 158p. Siebens, 10 cheaper at 150p, were vulnerable and domestic market advices coupled with the effects of the lower dollar premium caused Woodside-Burmah to fall 5 to 110p.

Properties, indecisive throughout much of the day, and closed dull. Hammerson "A" fluctuated between 377p and 385p before closing unchanged at 380p, while United Real, 196p, Allied London, 48p, and Haslemere Estates, 190p, all shed around 4. Land Securities gave up 3 at 162p and MEPC a penny to 72p, but Warnford Investments were raised 4 to 188p. A Press report that London Shop had sold its 22.8 per cent. stake in Beaumont aroused firmness in the former, but softened after the official denial to close slightly easier at 46½p, after 48p.

Press comment directed a fair amount of attention to Lonrho which improved to 92p in active trading before closing a net 3 better on the day at 88p. Other Overseas Traders were easier where changed.

After Friday's late jump of 13 on the company's statement that they had received several bid approaches, London Electrical and General rose 12 more to 98p, after 102p, following news of the agreed bid from Guinness Peat; the latter closed 10 cheaper at 158p, valuing the offer at 88½p per LE and G. The latter's Preference issues were also marked higher; the 4.2 per cent. were raised 8 to 51p and the 3.15 per cent. a like amount to 40p. Other Investment Trusts spent another quiet session with institutional interest again noticeably lacking. Following the interim figures, Hume Holdings A and B shares closed with improvements of 2 and 1 respectively at 52p and 47p. Gains of 3 were seen in Oil and Associated, 63p, and Scottish Ontario, 113p, but Throgmorton Capital declined 4 to 68p. M and G Holdings continued to figure prominently in Financials, rising 10 to 88p in a thin market on country buying. Edinburgh Industrial closed without alteration at 21½p following news of the major Board reorganisation.

After having opened easier at 136p following renewed Press talk of a forthcoming rights issue, P & O Deferred eased afresh to close 5 cheaper on balance at 133p. Other Shippings were little changed following a moderate business with the exception of Common Bros., which moved up 4 to 190p in a restricted market.

Textiles sported a few firm spots following company statements. Stoddard A rose 3 to 27p on further consideration of the interim results, while second thoughts on the preliminary figures lifted U.U. Textiles 2 to 6p. Higher interim figures took Leigh Mills up a penny to 15p. Allied Textile moved up 5 to 100p, but Courtaulds closed a like amount easier in line with other equity leaders.

Tobaccos lost ground, BAT Industries Deferred falling 5 to 215p, and Imps losing 2½ to 73½p; stockjobbers are expecting the latter to announce to-day pre-tax profits for the year of around £130m.

South African Industrials had contrasting movements in Greatermans "A," 10 cheaper at 190p, and Tiger Oats, 20 to the good at 420p.

News that Harrisons and Crosfields had acquired 50 per cent. or more of the capitals of its three sister plantation companies had little impact. Golden Hope finished 2 off at 80p, London Asiatic finished unaltered at 67p, while Pataling edged up a penny to 66p. Teas were notable for rises of 30 in both Romai, 150p, and Majuli, 105p, following the merger proposals.

Golds edge up

South African Golds managed to register gains of up to ½ in the heavyweight issues such as Western Holdings, £11, and 10 in the lower-priced stocks like Southvaal, 250p. The result was mirrored in a rise of only 0.5 in the Gold Mines index to 95.8.

Buyers, however, continued to be deterred by the political unrest in southern Africa, and although a modest demand was reported from the Cape, the Continent and, in late trading, the U.S., business remained at a low level. The bullion price was finally $2 up at $134.375 per ounce, its highest level since January 4.

Financials were a shade easier in quiet trading. Of the overseas-based issues, Rand Selection declined 5 more to 360p and Anglo American 2 to 198p. The London-registered stocks lacked interest traded within narrow limits before closing a few pence off. Gold Fields fell 3 to 140p and Rio Tinto-Zinc a penny to 184p.

Persistent Continental support caused ZCI to put on 2½ more to 24p. Australians were featured by the 11 jump to 33p by Pacific Copper following favourable Press comment.

Otherwise, prices generally lost ground reflecting the fall in the investment currency premium and the weakness of overnight Sydney and Melbourne markets. Western Mining dropped 6 more to 114p, after a 1976-77 low of 113p, while MIM Holdings gave up 7 to 200p.

FINANCIAL TIMES STOCK INDICES

	Feb. 7	Feb. 4	Feb. 3	Feb. 2	Feb. 1	Jan. 31	A Year ago
Government Secs.	65.78	65.90	65.87	65.64	64.99	65.08	63.34
Fixed Interest	65.45	65.50	65.55	65.11	65.33	65.88	63.30
Industrial Ordinary	397.5	403.8	406.0	406.1	395.9	390.6	399.8
Gold Mines	95.8	95.3	96.3	95.3	95.1	93.2	223.0
Ord. Div. Yield	5.81	5.74	6.71	5.70	5.84	5.91	5.21
Earnings Yld % (full)*	18.54	18.51	18.21	18.20	18.65	18.87	15.12
P/E Ratio (net) (*)	7.77	7.87	7.91	7.92	7.75	7.65	9.74
Dealings marked	7,036	9,267	9,216	8,112	7,812	8,340	8,149
Equity turnover £m.	—	82.09	134.20	94.89	80.38	97.32	55.47
Equity bargains total	—	19,799	24,682	19,115	17,443	20,888	15,586

10 a.m. 401.3. 11 a.m. 404.2. Noon 402.9. 1 p.m. 404.2.
2 p.m. 404.2. 3 p.m. 402.4.
Latest Index 01-246 8026.

* Based on 52 per cent. corporation tax. † Nil=7.71.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Ind. Ord. 1/7/35. Gold Mines 12/9/55. SE Activity July-Dec. 1942.

HIGHS AND LOWS

	1976/7 High	1976/7 Low	Since Compilation High	Since Compilation Low
Govt. Secs.	65.90 (4/2/77)	55.88 (27/10)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	65.90 (3/1/77)	55.87 (28/10)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	420.8 (4/5)	265.3 (27/10)	543.6 (19/5/72)	48.4 (26/6/40)
Gold Mines	446.9 (3/1/76)	78.8 (15/8)	442.3 (22/5/75)	42.5 (26/10/71)

S.E. ACTIVITY

	Feb. 7	Feb. 4
Daily—		
Gilt-Edged	251.9	300.8
Industrials	932.4	305.8
Speculative	48.6	55.9
Totals	186.3	910.9
5-day Av'rge		
Gilt-Edged	272.2	280.0
Industrials	271.6	279.5
Speculative	52.8	54.7
Totals	189.9	194.6

Scots call for election over devolution moves

SCOTTISH NATIONAL Party leaders yesterday challenged the Government to risk a general election over plans for a Scottish Assembly.

Mr. William Wolfe, chairman, and Mr George Reid, the party's spokesman on devolution, said in Edinburgh that the Government should make the guillotine motion on the Devolution Bill an issue of confidence.

Mr. Wolfe said that the difficulties facing the Government in Westminster over devolution legislation were "crystallising the options" for Scotland's future.

"The Government's commitment to set up a Scottish Assembly was the main plank of its election platform in Scotland," Mr. Wolfe said.

"Without a guillotine, the assembly Bill is as good as dead. Scotland demands that the Government make the guillotine motion an issue of confidence. If it then fails to win the confidence vote, it will be seen to have failed to carry out the pledge on which it won its share of Scotland's votes.

"Either way, there can be one and only one sequel—a general election to give the Scottish people the opportunity of passing their verdict on the Government."

In a document issued yesterday, the SNP sets out self-government for Scotland as the first of its aims. Self-government, it says, means restoration of Scottish national sovereignty by the establishment of a democratic Scottish parliament within the Commonwealth, freely elected by Scottish electors.

F.T.—ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, The Institute of Actuaries and the Faculty of Actuaries

		EQUITY GROUPS ‡ GROUPS & SUB-SECTIONS Figures in parentheses on the right show number of stocks per section.	Monday, February 7, 1977 Index No.	Day's Change %	Est. Earnings Yield % (Max.) Corp. Tax 52%	Gross Div. Yield % (ACT at 35%)	Est. P/E Ratio (net) Corp. Tax 52%	Est. P/E Ratio (nil) Corp. Tax 52%	Friday Feb. 4 Index No.	Thurs. Feb. 3 Index No.	Wed. Feb. 2 Index No.	Tues. Feb. 1 Index No.	Year ago (approx.) Index No.	Highs and Lows Index 1976/77 High	1976/77 Low	Since Compilation High	Since Compilation Low
1	(1)	CAPITAL GOODS (178)	154.23	+0.4	18.81	6.23	7.86	7.80	154.28	156.20	153.82	151.97	150.52	166.06 (21/4)	100.83 (28/10)	306.87 (4/5/72)	50.71 (13/12/74)
9	(2)	Building Materials (31)	131.79	−0.4	18.34	7.43	7.62	7.68	132.27	134.65	131.30	129.52	143.65	150.18 (15/1/76)	86.53 (27/10)	233.84 (2/5/72)	44.27 (11/12/74)
3	(3)	Contracting, Construction (22)	210.44	−0.5	21.07	5.19	7.38	7.32	211.56	212.83	209.37	204.95	239.03	260.20 (15/1/76)	122.08 (27/10)	329.33 (14/5/72)	71.48 (2/12/74)
4	(4)	Electricals (16)	307.45	+1.6	16.19	4.79	9.15	2.93	362.89	307.55	366.46	304.63	261.45	307.55 (13/2/77)	190.54 (27/10)	350.04 (3/5/72)	84.71 [illegible]
9	(5)	Engineering (Heavy) (12)	194.55	−0.7	25.81	6.76	5.72	5.64	195.89	198.36	197.58	195.76	170.69	198.36 (3/2/77)	123.56 (27/10)	202.57 (16/6/75)	64.39 (2/1/75)
6	(6)	Engineering (General) (66)	140.19	+0.4	19.03	8.66	7.69	7.67	139.65	140.90	137.88	135.75	136.92	149.29 (5/5)	95.20 (28/10)	168.59 (4/5/72)	45.43 (6/1/75)
7	(7)	Machine and Other Tools (9)	72.87	+9.5	95.83	8.17	5.89	5.86	71.11	71.14	67.89	66.96	55.35	72.97 (7/2/77)	45.29 (11/10)	136.70 (14/7/66)	19.96 (13/12/74)
8	(8)	Miscellaneous (22)	130.81	+0.3	18.68	7.12	7.77	7.70	130.44	132.85	131.29	130.74	129.97	141.94 (11/5)	90.93 (28/10)	177.41 (27/4/72)	49.65 (6/1/75)
11	(9)	CONSUMER GOODS (DURABLE) (53)	136.88	−0.4	19.08	5.28	7.85	7.85	137.48	141.28	139.25	137.50	131.13	141.46 (21/4)	83.12 (28/10)	227.72 (21/4/72)	38.39 (6/1/75)
12	(10)	Lt. Electronics, Radio TV (15)	159.64	−0.2	17.91	3.90	8.33	8.32	153.00	156.78	154.11	152.88	147.21	166.35 (17/1)	87.51 (27/10)	257.41 (19/6/72)	42.85 (13/12/74)
13	(11)	Household Goods (13)	148.39	−0.3	20.24	8.17	7.52	7.50	148.72	151.00	149.52	148.42	178.99	197.22 (7/4)	104.30 (28/10)	263.82 (14/5/72)	63.92 (17/12/74)
14	(12)	Motors and Distribution (23)	89.27	−0.2	20.41	6.41	7.35	7.35	89.96	93.13	92.02	89.80	77.52	93.13 (3/2/77)	56.10 (29/10)	170.59 (15/1/69)	19.91 (6/1/75)
21	(13)	CONSUMER GOODS (NON-DURABLE) (170)	148.79	−0.1	16.26	6.64	9.29	9.20	149.06	151.53	149.24	148.12	157.79	162.24 (13/5)	104.41 (27/10)	226.09 (16/2/70)	61.41 (13/12/74)
92	(14)	Breweries (15)	160.91	−0.5	15.62	7.50	9.51	9.51	160.94	163.12	161.20	160.52	172.78	179.43 (12/5)	111.17 (27/10)	291.87 (11/1/72)	69.47 (13/12/74)
23	(15)	Wines and Spirits (6)	169.74	−0.3	14.27	6.68	10.32	10.32	170.31	175.42	171.97	168.30	179.65	190.67 (13/5)	124.71 (27/10)	257.40 (15/7/72)	78.88 (13/12/74)
24	(16)	Entertainment, Catering (15)	190.47	−0.7	15.66	7.27	8.79	8.71	191.83	194.98	193.30	191.09	203.96	211.26 (17/5)	127.11 (26/10)	329.99 (11/1/72)	54.83 (9/1/75)
25	(17)	Food Manufacturing (21)	163.48	−0.2	12.15	5.67	8.07	7.94	163.23	165.89	160.66	159.51	169.17	179.44 (11/5)	120.54 (27/10)	211.65 (14/5/72)	59.67 (11/12/74)
26	(18)	Food Retailing (17)	158.18	−0.2	13.65	5.36	10.69	10.59	152.49	152.53	148.71	145.99	140.97	159.53 (2/2/77)	92.79 (28/10)	235.08 (16/5/72)	54.25 (11/12/74)
38	(19)	Newspapers, Publishing (16)	929.30	+0.7	11.66	4.88	12.99	19.22	220.67	291.10	219.32	213.81	181.16	222.50 (7/2/77)	148.46 (12/10)	260.29 [illegible]	55.08 (6/1/75)
33	(20)	Packaging and Paper (12)	103.44	+0.5	17.55	7.79	2.74	2.74	109.96	103.92	103.03	99.89	107.14	112.50 (28/2)	72.34 (27/10)	135.69 (28/4/72)	43.46 (6/1/75)
54	(81)	Stores (35)	121.52	+0.4	19.75	5.27	12.10	12.09	191.10	123.23	181.88	121.08	133.07	136.34 (12/2)	78.47 (28/10)	204.32 (15/8/72)	52.63 (6/1/75)
35	(22)	Textiles (24)	140.62	—	14.61	2.43	16.82	9.83	140.65	143.79	139.24	138.52	175.34	183.34 (30/1/76)	96.76 (27/10)	235.72 (11/1/67)	62.66 (11/12/74)
36	(23)	Tobaccos (3)	808.76	−0.8	24.31	8.22	6.27	6.27	210.34	917.25	918.76	890.75	228.53	241.89 (5/1)	167.36 (28/10)	339.16 (2/2/72)	94.34 [illegible]
37	(24)	Toys and Games (6)	85.91	−0.6	17.27	7.38	6.96	6.93	86.34	87.53	86.59	84.96	85.09	87.53 (3/2/77)	59.13 (22/1)	135.72 (16/1/70)	20.92 (6/1/75)
		OTHER GROUPS (95)															
49	(95)	Chemicals (26)	212.09	+0.2	15.09	6.28	2.07	2.07	212.74	992.59	820.06	219.46	212.96	231.32 (5/5)	155.10 (27/10)	231.32 (5/5/76)	71.20 (11/12/74)
44	(26)	Office Equipment (8)	23.28	−0.7	17.03	6.06	2.39	8.39	23.96	25.04	20.94	89.45	88.37	100.18 (14/5)	59.33 (28/10)	246.06 (11/3/72)	45.34 (2/1/75)
45	(27)	Shipping (11)	448.13	+0.4	12.00	5.92	11.98	10.20	446.20	455.80	435.91	495.67	466.97	455.80 (3/2/77)	302.42 (28/1)	517.00 (12/12/72)	90.80 [illegible]
46	(28)	Miscellaneous (50)	158.66	—	16.44	7.49	9.13	9.13	152.61	160.62	159.12	158.41	166.68	174.98 (12/1)	108.14 (27/10)	258.23 (7/5/72)	60.39 (6/1/75)
49	(29)	INDUSTRIAL GROUP (496)	167.47	—	12.80	6.29	8.79	8.79	157.41	159.98	157.55	156.23	159.52	162.38 [illegible]	107.32 (27/10)	220.17 [illegible]	59.01 (13/12/74)
51	(36)	Oils (4)	493.54	−0.8	2.63	3.56	13.43	19.35	497.57	488.51	427.54	480.47	333.35	497.57 (3/2/77)	315.67 [illegible]	497.57 (3/2/77)	87.23 [illegible]
52	(31)	500 SHARE INDEX	184.17	−0.1	15.18	5.75	9.43	9.26	184.41	186.23	184.54	182.04	174.14	186.23 (3/2/77)	125.60 (27/10)	227.95 (16/5/72)	63.49 (13/12/74)
61	(38)	FINANCIAL GROUP (100)	199.00	−0.6	—	6.11	—	—	129.21	131.26	132.69	199.13	144.49	153.46 (30/1/76)	87.19 (28/10)	241.41 (1/5/72)	55.88 (13/12/74)
62	(33)	Banks (6)	148.01	−1.5	22.85	8.25	6.73	8.73	150.31	151.36	151.07	160.52	170.42	192.16 (23/1/76)	111.33 (27/1)	288.32 (20/7/72)	82.44 (12/12/74)
63	(34)	Discount Houses (10)	168.14	−2.4	—	2.79	—	—	169.16	171.59	170.12	176.95	179.11	186.58 (13/1/76)	87.72 (28/10)	298.13 (2/5/72)	81.40 (10/12/74)
64	(35)	Hire Purchase (5)	116.43	−0.1	6.82	6.86	31.47	31.47	116.58	117.61	113.80	113.05	134.26	132.10 (26/2)	53.25 (27/10)	433.74 (4/5/72)	32.83 (17/12/74)
65	(36)	Insurance (Life) (10)	112.94	−0.5	—	6.74	—	—	112.80	113.97	110.98	110.53	193.79	129.46 (30/1/76)	73.11 (28/10)	194.46 (15/5/72)	44.88 (2/1/75)
66	(37)	Insurance (Composite) (7)	102.08	−0.2	—	7.94	—	—	102.88	104.62	102.97	101.54	114.89	119.75 (30/1/76)	68.99 (28/10)	155.76 (21/4/72)	43.96 (13/12/74)
67	(38)	Insurance Brokers (10)	265.85	+9.0	11.27	6.33	12.48	19.48	251.76	250.60	237.87	235.97	227.59	276.90 (11/5)	178.27 (27/10)	276.90 (11/5/76)	65.86 (16/12/74)
68	(39)	Merchant Banks (15)	87.21	−1.5	—	6.31	—	—	68.25	69.45	68.35	67.96	20.86	23.83 (27/1/76)	45.15 (28/10)	276.57 (1/5/72)	31.21 (7/1/75)
69	(40)	Property (31)	169.83	+0.1	4.28	3.33	37.85	36.96	169.13	171.48	175.89	175.53	127.41	194.57 (30/1/76)	95.25 (27/10)	357.40 (14/11/72)	58.01 [illegible]
70	(41)	Miscellaneous (6)	84.76	+0.3	17.79	10.17	8.69	8.69	84.42	28.12	22.64	21.12	29.93	91.98 [illegible]	55.37 [illegible]	503.18 [illegible]	33.29 [illegible]
71	(42)	Investment Trusts (50)	171.52	+0.2	3.14	4.50	32.87	59.87	171.17	173.62	170.64	168.58	175.55	184.55 (30/1/76)	115.09 (28/10)	245.79 (25/4/72)	71.63 (13/12/74)
81	(43)	Mining Finance (4)	86.72	−0.4	12.21	6.84	10.39	10.17	87.10	87.83	86.40	86.68	109.19	119.77 (7/1/76)	77.55 (16/10)	175.90 (28/4/69)	66.31 (13/9/74)
91	(44)	Overseas Traders (17)	243.03	+1.2	17.60	6.12	7.96	7.21	240.11	244.78	238.84	237.11	331.68	254.47 (3/2)	179.31 (27/10)	254.47 (3/2/77)	97.37 (6/1/75)
99	(46)	ALL-SHARE INDEX (671)	170.34	−0.2	—	5.75	—	—	170.64	173.41	170.63	168.66	166.84	172.64 (30/1/76)	116.29 (27/10)	228.12 (1/5/72)	61.92 (13/12/74)

	FIXED INTEREST	Monday, Feb. 7 Index No.	Yield %	Friday Feb. 4	Thurs. Feb. 3	Wed. Feb. 2	Tuesday Feb. 1	Monday Jan. 31	Friday Jan. 28	Thurs. Jan. 27	Year ago (approx.)	1976/77 High	1976/77 Low	Since Compilation High	Since Compilation Low
1	Consols 2½% yield	—	13.32	13.22	13.92	13.30	13.38	13.38	13.19	13.36	13.79	—	—	—	—
2	20-yr. Govt. Stocks (6)	61.45	†12.67	61.78	51.73	61.42	50.69	50.83	61.35	60.72	51.25	53.45 (30/1/76)	49.31 (27/10)	115.42 (11/7/68)	38.27 (3/1/75)
3	20-yr. Red. Deb. & Loans (15)	50.93	†14.62	50.66	50.65	50.50	50.58	50.49	50.51	50.28	51.15	52.40 (21/5)	43.09 (2/11)	113.43 (23/10/63)	37.01 (3/1/75)
4	Investment Trust Prefs. (15)	49.87	13.95	49.74	48.97	48.93	48.93	48.98	48.88	48.79	50.39	51.23 (13/5)	40.54 (5/10)	114.41 (13/9/63)	34.45 (4/12/74)
5	Coml. and Indl. Prefs. (20)	69.04	13.07	68.87	68.81	68.55	68.72	68.89	68.89	68.83	69.82	71.97 (2/2)	54.89 (8/10)	114.96 (7/10/65)	47.67 (6/1/75)

Section or Group	Base Date	Base Value
Overseas Traders	31/12/70	100.00
Engineering (Heavy)	31/12/71	153.84
Engineering (General)	31/12/71	153.84
Wines and Spirits	16/1/70	146.76
Toys and Games	16/1/70	135.72
Office Equipment	16/1/70	128.20
Industrial Group	31/12/70	128.20
Miscellaneous Financial	31/12/70	128.06
Food Manufacturing	29/12/67	114.13
Food Retailing	29/12/67	114.13
Insurance Brokers	29/12/67	96.67
Mining Finance	29/12/67	100.00
All Other	10/4/62	100.00

† Redemption yield. FT-Actuaries indices are calculated by Extel Communications Limited (a member of the Exchange Telegraph Group) on an IBM 370 computer. A record of the indices, cost £40, is obtainable from FT Business Enterprises, 10, Bolt Court, London, EC4. It gives all groups and sub-section indices at fortnightly intervals since the start of the series in 1962 with quarterly highs and lows. Dividend and earnings figures are also included.

‡ A new numbering system is introduced in the display. The numbering shown in parentheses on the left, will, after a few weeks, be dispensed with in favour of the staggered system shown on the extreme left.

ACTIVE STOCKS

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1976-77 high	1976-77 low
BP	£1	15	930	− 6	950	537
Burmah Oil	£1	15	77	− 1	80	25
Shell Transport	25p	14	518	− 6	524	352
ICI	£1	13	348	− 4	402	236
BATs Defd.	25p	12	215	− 5	243	183
P & O Defd.	£1	12	133	− 5	138	87
Rank Org.	25p	12	174	− 3	195	98
Marks & Spencer	25p	11	99	− 2	108	70
Reed Intl.	£1	11	220	—	274	158
Tricentrol	25p	10	133	—	138	43
Lonrho	25p	9	88	+ 3	101½	47
Serck	25p	9	88	+ 2	90	32
Courtaulds	25p	8	104	− 3	169	73
Glaxo	50p	8	450	− 8	468	280
Lamson Inds.	25p	8	82	−15	97	40

The above list of active stocks is based on the number of bargains recorded yesterday in the Official list and under Rule 163(1) (e)

NEW HIGHS AND LOWS FOR 1976/77

The following securities quoted in the Share Information Services yesterday attained new Highs and Lows for 1976-77.

NEW HIGHS (53)

BRITISH FUNDS (5)
Elec. 3pc '74-77 Exchqr. 12¼pc '81
Exchqr 5pc '76-78 Treas. 3pc 1982
Electric 3½pc '76-79

CORPORATION LOANS (5)
G.L.C. 7½pc 1977 Mddx. 5½pc '75-77
Liv'pool 7pc '76-77 Mddx. 5¼pc 1980
L.C.C. 5½pc '77-81

BANKS (1)
Corinthian

BEERS (1)
Invergordon

BUILDINGS (2)
Burnett Hallamshire Newarthill

STORES (1)
Reed (Austin) A'

ELECTRICALS (2)
Rotaflex G.B. Utd. Scientific

ENGINEERING (3)
Adwest Greenbank
Brown (J.)

HOTELS (1)
Rowton Hotels

INDUSTRIALS (9)
Bridport-Gundry Press (Wm.)
Eastern Produce Redfearn Nat. Glass
G.R. (Hldgs.) Utd. Carriers
IRC Int. White Child Beney
Lep Group

INSURANCE (2)
Minet Willis Faber

MOTORS (3)
Heron Motor 10pc Conv. Lex Service
Lex Service Lookers

NEWSPAPERS (1)
Thomson Org

PROPERTY (1)
Evans of Leeds

SHOES (1)
Turner (W. & E.)

TEXTILES (3)
Allied Textile Stoddard 'A'
Leigh Mills

TRUSTS (7)
Caledonia Invs. Leda Inv. Cap.
Camellia Invs. Lond. Elect. & Gen.
Genl. Funds Conv. New Throg. Cap.
International Inv.

OILS (2)
Burmah Tricentrol

RUBBERS (1)
Bertam Cons.

TEAS (2)
Assam Inv. Jokai

NEW LOWS (5)

AMERICANS (3)
Burroughs Corp. Norton Simon Inc.
Gillette

HOTELS (1)
Boral (J.)

MINES (1)
Western Mining

OPTIONS TRADED

Calls were dealt in Lonrho, Town and City, Carless Capel, Lennons, Bowthorpe, Sears, Ladbroke, BP, Burmah Oil, Berry Wiggins, Ultramar, London and Northern, Fraser Ansbacher, British Rollmakers, Premier Consolidated Oil, British Land, Tricentrol, MEPC, ICI and P. and O. Deferred. Puts were done in Cavenham Warrants, Thomson Organisation, Tricentrol and Shell Transport, while doubles were arranged in Ladbroke, Ultramar, Fraser Ansbacher, P. and O. Deferred, Premier Consolidated Oil, Lonrho and Samuel Properties. A short-dated call was done in MEPC.

DEALING DATES

First Dealings	Last Dealings	Last Declaration	For Settlement
Feb. 8	Feb. 21	May 5	May 17
Feb. 22	Mar. 7	May 19	May 31
Mar. 8	Mar. 21	Jun. 9	Jun. 21

For rate indications, see end of Share Information Service.

RISES AND FALLS

	Up	Down	Same
British Funds	21	34	6
Corpns, Dominion and Foreign Bonds	9	7	44
Industrials	232	418	1,089
Financial and Prop.	116	146	293
Oils	2	9	22
Plantations	5	4	29
Mines	28	32	69
Recent Issues	2	5	13
Totals	405	657	1,484

MONEY MARKET

Exceptional assistance

Bank of England Minimum Lending Rate 12 per cent. (since February 3, 1977)

Day-to-day credit remained in very short supply in the London money market yesterday and the authorities continued to roll over the shortage by giving further exceptional assistance. They bought a very large number of various types of bills, made up of a large amount of Treasury bills, purchased from the discount houses and banks, a small number of local authority bills and a similar amount of eligible bank bills. The Bank of England also lent an exceptionally large amount overnight, at Minimum Lending Rate, to ten or 11 houses.

Banks carried forward large run-down balances from Friday, there was a moderate take-up of Treasury bills, and a small rise in the note circulation was also against the market. The largest adverse factor was repayment of loans made to the market on Monday and Friday of last week.

Discount houses paid around 12 per cent. for secured call loans in the early part and closing balances were found at around 10-11 per cent., although some funds may have been taken at as low as 5 per cent.

In the interbank market overnight loans opened at 12¼-12½ per cent. and declined to 5 per cent. at the close.

Short-term fixed period interest rates were fairly steady. Discount houses buying rates for three-month Treasury bills finished at 11¼-11 3/16 per cent., slightly higher than on Friday, but in places continuing to indicate MLR below the official rate of 12 per cent.

Rates in the table below are nominal in some cases.

Feb. 7 1977	Sterling Certificates of deposit	Interbank	Local Authority deposits*	Local Auth. negotiable bonds	Finance House Deposits	Company deposits	Discount market deposits	Treasury bills ⊕	Eligible Bank Bills ⊕	Fine trade Bills ⊕
Overnight	—	5-12½	—	—	—	13	5-12	—	—	—
2 days notice	—	—	12⅜	—	—	—	—	—	—	—
7 days or 7 days notice	—	12⅛-12½	12⅛	—	12⅝-12¾	—	11⅞-12	—	—	—
One month	12¼-12⅛	12⅛-12¼	12¼-12⅜	14-15⅛	19¼-12¾	—	11¾	11⅜	12¼-12 3/16	19⅞
Two months	12⅛-11⅞	12-12⅛	—	18¼-12⅝	12⅛-12⅝	—	11⅝	11⅝	11⅜	13¼-12¾
Three months	11⅞-11⅝	11⅞-11⅞	11⅞-12	12¾-19⅛	12-12½	—	11¼	11¼-11 3/16	11⅝-11 5/16	13¼-12⅝
Six months	11⅝-11⅝	11⅝-11⅝	11¾-11⅞	19¼-11¾	11⅝-12¼	—	—	—	11⅛-11 1/16	13¼-12½
Nine months	11½-11⅝	11⅝-11⅝	—	12⅛-11⅝	12¼	—	—	—	—	—
One year	11½-11⅝	11⅝-11⅝	19¼-12¾	12⅛-11⅝	12¼	—	—	—	—	—
Two years	—	—	13⅝-13⅛	—	—	—	—	—	—	—

Local authority and finance houses seven days' notice, others seven days' fixed. * Longer-term local authority mortgage rates nominally three years 13¼-13⅛ per cent.; four years 13⅜-13⅛ per cent.; five years 13⅝-13⅜ per cent. ⊕ Bank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 11¼-11⅛ per cent.; four-month trade bills 13¼-12⅞ per cent.

Approximate selling rate for one-month Treasury bills 11 7/32-11 3/16 per cent.; two-month 11⅛ per cent.; and three-month 11 5/32-11 5/32 per cent. Approximate selling rate for one-month bank bills 12¼-12 1/16 per cent.; two-month 11 13/16 per cent.; and three-month 11 13/32-11 11/32 per cent.; one-month trade bills 12⅝ per cent.; two-month 13¼-12⅞ per cent.; and also three-month 13¼-12⅞ per cent.

Finance House Rates (published by the Finance Houses Association) 14¼ per cent. from February 1, 1977. Clearing Bank Deposit Rates for small sums of seven days' notice 9 per cent. Clearing Bank Base Rates for lending 12¼ per cent. Treasury bill average tender rates of discount 11.2286 per cent.

BASE LENDING RATES

A.B.N. Bank	12¼%
Allied Irish Banks Ltd.	12¼%
American Express Bank	13 %
Anglo-Portuguese Bank	13 %
Henry Ansbacher	13 %
Banco de Bilbao	12¼%
Bank of Credit & Cmce.	12¼%
Bank of Cyprus	12¼%
Bank of N.S.W.	13 %
Banque du Rhone S.A.	13 %
Barclays Bank	12¼%
Barnett Christie Ltd.	14 %
Bremar Holdings Ltd.	13 %
Brit. Bank of Mid East	12¼%
■ Brown Shipley	12¼%
Canada-Permanent AFI	12¼%
Capitol C & C Fin. Ltd.	14 %
Cayzer, Bowater Co. Ltd.	13 %
Cedar Holdings	14 %
■ Charterhouse Japhet	12¼%
C. E. Coates	13¼%
Consolidated Credits	12¼%
Co-operative Bank	*12¼%
Corinthian Securities	12¼%
Credit Lyonnais	12¼%
G. R. Dawes	14 %
Duncan Lawrie	12¼%
Eagil Trust	12¼%
English Transcont.	13 %
First London Secs.	12¼%
First Nat. Fin. Corp.	16 %
First Nat. Secs. Ltd.	16 %
Goode Durrant Trust	12¼%
■ Antony Gibbs	12¼%
Greyhound Guaranty	12¼%
Grindlays Bank	‡12¼%
■ Guinness Mahon	13 %
■ Hambros Bank	12¼%
■ Hill Samuel	§12¼%
C. Hoare & Co.	†12¼%
Julian S. Hodge	13¼%
Hongkong & Shanghai	12¼%
Industrial Bank of Scot.	12¼%
Keyser Ullmann	13¼%
Knowsley & Co. Ltd.	14¼%
Lloyds Bank	12¼%
London & European	13 %
London Mercantile	13 %
Midland Bank	12¼%
■ Samuel Montagu	12¼%
■ Morgan Grenfell	13 %
National Westminster	12¼%
Norwich General Trust	12¼
P. S. Refson & Co.	12¼
Rossminster Accept'cs	12¼
Royal Bk. Canada Trust	12
Schlesinger Limited	13
E. S. Schwab	15
Security Trust Co. Ltd.	14
Shenley Trust	14
Standard Chartered	12¼
Trade Development Bk.	13
Twentieth Century Bk.	14
United Bank of Kuwait	12¼
Whiteaway Laidlaw	13
Williams & Glyn's	12¼
Yorkshire Bank	12¼

■ Members of the Accepting Houses Committee.

* 7-day deposits 9%, 1-month deposits 9¼%.

† 7-day deposits on sums of £10,000 and under 9%, up to £25,000 9½% and over £25,000 10%.

§ Demand deposits 10¼%.

‡ Call deposits over £1,000 9%.

CORAL INDEX
Close 396-401

INSURANCE BA

RATES

† Property Growth	12
Cannon Insurance	12

† Address shown under Insurance and Property Bond table.

AUTHORISED UNIT TRUSTS

Abbey Unit Tst. Mgrs. Ltd. (a)(g)
72-80, Gatehouse Rd., Aylesbury. 0296 5941

Abbey Capital	24.8	26.4	-0.1	4.69
Abbey Income	30.5	32.5	.....	6.35
Abbey Inv. Tst. Fd.	28.1	29.5	-0.1	4.39
Abbey Gen. Tst.	36.0	38.3	-0.1	4.43

Allied Hambro Group♥ (a)(g)
Hambros Hse., Hutton, Brentwood, Essex.
01-588 2851 or Brentwood (0277) 211459

Balanced Funds				
Allied 1st	53.8	56.6	-0.5	5.89
Brit. Ind. Fund	50.9	54.4	-0.3	6.36
Grth. & Inc.	29.2	31.2	-0.2	6.12
Elect. & Ind. Dev.	25.4	27.2	-0.2	6.28
Allied Capital	56.2	60.0	-0.3	5.85
Hambro Fund	82.9	88.6	-0.6	6.62
Hambro Acc. Fd.	91.6	97.8	-0.4	5.54
Income Funds				
High Yield Fd.	45.9	49.0	-0.2	10.06
Equity Income	29.8	31.6	-0.5	7.54
High Income	48.5	51.8	-0.7	7.39
Hambro Inc. Fd.	41.6	44.5	-1.7	7.30
International Funds				
International	22.9	24.5	-0.2	2.34
Secs. of America	49.3	52.7	-0.5	2.03
Pacific Fund	31.9	34.1	+0.2	2.95
Specialist Funds				
Smaller Co.'s Fd.	19.7	21.1	-0.2	7.34
2nd Smlr. Co.'s Fd.	26.0	27.8	-0.2	7.73
Recovery Sits.	58.0	62.0	-0.5	6.85
Met. Min. & C'dity	33.3	35.6	.....	6.20
Overseas Earnings	47.0	50.2	-0.1	4.74
Exempt Feb. 1	137.9	145.2	.....	7.85

Ansbacher Unit Mgmt. Co. Ltd.
1 Noble St., E.C.2V 7JH 01-606 4010

Inc. Monthly Fund	119.0	129.8	.....	10.80

Arbuthnot Securities Ltd. (a)(c)
37, Queen St. London EC4R 1BY 01-236 5281

Abacus Giants	[illegible]	[illegible]	-0.5	3.85
(Accum. Units)	[illegible]	[illegible]	-0.6	3.85
Growth Units	[illegible]	[illegible]	-0.3	3.90
(Accum. Units)	[illegible]	[illegible]	-0.3	3.90
High Inc. Units	[illegible]	[illegible]	.....	12.12
(Acc. Uts.)	[illegible]	[illegible]	.....	11.80
*East & Intl. Acc.	[illegible]	[illegible]	.....	2.04
*(6% withdrawal)	[illegible]	[illegible]	.....	2.04
Jascot. Cmpnd.	[illegible]	[illegible]	.....	8.46
(Accum. Units)	[illegible]	[illegible]	+0.4	8.00
(8½% withdrawal)	[illegible]	[illegible]	-0.2	8.97
Arbuthnot Pref.	[illegible]	[illegible]	.....	12.85
(Accum. Units)	[illegible]	[illegible]	.....	12.80
Arbuthnot Cap.*	[illegible]	[illegible]	+0.2	—
Jact. Scts. Ldrs.††	[illegible]	[illegible]	.....	5.29
Jascot Fin. Prop.††	[illegible]	[illegible]	.....	4.69
N. America Intl.	[illegible]	[illegible]	.....	1.17
Arbuthnot. Cmdty**	[illegible]	[illegible]	.....	5.20
(Accum. Units)**	[illegible]	[illegible]	.....	5.20
10% Withdrawal**	[illegible]	[illegible]	.....	5.20

Deal. ‡Mon. *Tues. ††Wed. ‡Thurs. **Fri.

Archway Unit Tst. Mgs. Ltd.♥ (a)(c)
317, High Holborn, WC1V 7NL. 01-831 6233.

Archway Fund	64.2	68.3	.....	6.48

Price at Jan. 19. Next sub. day Feb. 16.

Barclays Unicorn Ltd. (a)(g)♥(c)
Unicorn Ho. 252 Romford Rd. E7. 01-534 5544
36, Castle St., Edinburgh. 031 226 3013

Unicorn America	33.6	35.9	-0.3	3.51
Do. Aust. Acc.	54.5	58.2	-1.0	2.99
Do. Aust. Inc.	43.9	47.2	-0.9	2.99
Do. Capital	52.2	56.4	-0.2	5.29
Do. Exempt Tst.	80.4	83.7	.....	6.97
Do. Extra Income	21.3	22.7	-0.1	9.38
Do. Financial	47.5	51.4	-0.3	5.77
Do. 500	51.1	54.9	-0.4	6.92
Do. General	23.6	25.5	-0.1	6.67

Baring Brothers & Co. Ltd.♥ (a)(x)
88, Leadenhall St., E.C.3. 01-588 2830

Stratton Tst.	143.4	149.4	.....	4.97
Do. Accum.	171.2	178.4	.....	4.97

Next sub. day Feb. 9.

Bishopsgate Progressive Mgmt. Co.♥
9, Bishopsgate, E.C.2. 01-588 6280

B'gate Pr.* Jan. 25	131.3	139.9	.....	4.89
Acc. Units* Jan. 25	150.7	160.5	.....	4.88
B'gat Int. Feb. 1	134.8	144.3	.....	4.44
Acm. Units Feb. 1	146.1	156.4	.....	4.44

Next sub. day Feb. 15. *Feb. 8.

Bridge Fund Managers♥(a)(c)
King William St., EC4R 9AR 01-623 4951

Bridge Inc.	185.0	199.8	.....	8.18
Bridge Cap. Inc.	25.6	27.3	.....	4.24
Bridge Cap. Acc.	27.2	29.0	.....	4.24
Bridge Exempt	94.0	100.0	.....	5.74
Bridge Intl. Inc.	13.0	13.9	.....	4.42
Bridge Intl. Acc.	13.6	14.5	.....	4.42

Prices Jan. 25 Next sub. day Feb. 1

Britannia Trust Management(a)(g)
3 London Wall Buildings, London Wall,
London EC2M 5QL. 01-638 0478/0479

Assets	55.6	59.7	-0.5	6.59
Capital Acc.	41.1	44.1	-0.3	4.47
Comm & Ind	44.1	47.4	.....	4.94
Commodity	61.3	65.9	+0.3	5.29
Domestic	29.6	31.8	.....	5.95
Exempt	[illegible]	75.5	-0.4	8.74
Extra Income	[illegible]	31.8	.....	10.26
Far East	[illegible]	19.3	+0.1	6.62
Financial Secs.	[illegible]	53.5	.....	5.16
Gen. Fund	[illegible]	30.2	-0.1	4.06
Gold & General	[illegible]	75.0	+0.8	8.32
Growth	[illegible]	69.2	-0.3	4.88
Inc. & Growth	[illegible]	59.0	-0.6	8.57
Int'l Growth	[illegible]	57.2	-0.1	4.34
Invest. Tst. Shares	[illegible]	40.8	+0.1	3.50
Minerals	[illegible]	29.1	+0.2	7.57
Nat. High Inc.	[illegible]	67.0	-0.6	8.64
New Issue	[illegible]	28.1	-0.1	6.06
North American	[illegible]	30.5	.....	4.14
Professional	[illegible]	387.7	-0.1	5.79
Property Shares	[illegible]	18.2	-0.1	2.96
Shield	[illegible]	42.9	-0.2	5.28
Status Change	[illegible]	28.2	.....	7.23

The British Life Office Ltd.♥ (a)
Reliance Hse., Tunbridge Wells, Kt. 0892 22271.

BL British Life	41.9	44.3	.....	5.98
BL Balanced*	35.8	38.3	.....	6.48
BL Dividend*	34.9	37.3	.....	7.61

Prices Feb. 2. Next dealing Feb. 9.

Brown Shipley & Co. Ltd.♥ (x)(c)
Mngrs. Founders Ct., EC2 01-600 8520

BS Units*	161.1	169.6	+0.5	6.90
Do. (Accum.)*	194.8	205.1	+3.3	5.20
BS Exept. Feb. 5	90.4	95.4	.....	6.50

Prices on Feb. 7. Next sub. day Feb. 28.

Canada Life Unit Tst. Mngrs. Ltd.♥
2-6 High St., Potters Bar, Herts. P. Bar 51122

Can. Gen Dist.	30.6	32.2	-0.1	4.88
Do. Gen. Accum	36.0	37.9	-0.2	4.88
Do. Inc. Dist.	28.6	30.1	+0.1	8.53
Do. Inc. Accum.	34.5	36.3	+0.1	8.53

Capel (James) Mngt. Ltd.♥
100 Old Broad St., EC2N 1BQ 01-588 6010

Capital	63.9	67.3	.....	4.24
Income	56.9	59.9	.....	7.28

Prices on Feb. 2. Next dealing Feb. 16.

Carliol Unit Fd. Mgrs. Ltd.♥ (a)(c)
Milburn House, Newcastle-upon-Tyne 21185

Carliol	51.6	54.1	.....	4.24
Do. Accum. Units	59.6	62.1	.....	4.24
Do. High Yield	31.4	33.4	.....	8.39
Do. Accum. Units	35.6	37.6	.....	8.39

Next dealing date Feb. 16.

Charterhouse Japhet♥
1, Paternoster Row, EC4. 01-248 3999

C.J. Internat'l	21.6	23.0	.....	3.40
Accum. Units	24.4	26.0	.....	3.40
C.J. Income	29.2	31.2	.....	9.88
C.J. Euro. Fin.	22.6	24.2	.....	3.78
Accum. Units	25.0	26.8	.....	3.78
C.J. Fd. Inv. Tst.	22.0	23.6	.....	4.13
Accum. Units	24.0	25.8	.....	4.13

Prices on Jan. 26. Next dealing Feb. 2.

Cosmopolitan Fund Managers.
Copthall Ave., London EC2R 7JX 628 9222

Cosmopoln. Gth. Fd.	13.5	14.5	+0.1	5.94

Unit Dealing: Regent Hse., 28 Victoria St., Windsor SL4 1HE. Windsor 58811

Crescent Unit Tst. Mgrs. Ltd. (a)(g)
4 Melville Cres., Edinburgh 3. 031-226 4931

Crescent Growth	21.0	22.5	+0.1	4.34
Cres. Internat'l.	44.7	47.9	-0.4	3.23
Cres. High. Dist.	34.9	37.4	-0.2	8.58
Cres. Reserves	32.3	34.9	.....	4.02

Discretionary Unit Fund Managers
22, Bloomfield St., EC2M 7AL. 01-638 4485

Disc'y Jan. 28	98.6	105.2	.....	6.76
Do. 'A' Accum.	128.1	136.7	.....	—

E. F. Winchester Fund Mngt. Ltd.
Old Jewry, EC2 01-606 2167

Great Winchester	13.9	15.2	.....	10.99
Gt. Winch'er O'seas	17.5	18.5	.....	3.38

Equitas Secs. Ltd.♥(a)(g)
41 Bishopsgate, EC2 01-588 2851

Progressive	53.0	55.9	-0.1	4.74

Equity & Law Un. Tr. M.♥ (a)(b)(c)
Amersham Rd., High Wycombe. 0494 33377

Equity & Law	54.3	57.1	.....	5.39

Framlington Unit Mgt. Ltd. (a)
5-7, Ireland Yard, EC4B 5BH. 01-248 6971

Capital Tst.	67.6	71.8	.....	5.03
Income Tst.	63.2	67.2	.....	7.96
Int. Growth Fd.	69.6	73.8	.....	3.02
Do. Accum.	69.4	73.8	.....	3.02

Friend's Provdt. Unit Tr. Mgrs.♥
Pixham End, Dorking. 0306 5055

Friends Prov. Uts.	31.9	34.1	-0.3	5.02
Do. Accum.	39.2	41.9	-0.4	5.03

G.T. Unit Managers Ltd.♥
16, Finsbury Circus EC2M 7DO 01-628 8131

G.T. Cap. Inc.	42.2	44.1	.....	3.00
Do. Acc.	72.8	77.4	.....	3.60
G.T. Inc. Fd. Un.	108.8	115.7	.....	8.00
G.T. U.S. & Gen.	124.9	132.8	.....	3.30
G.T. Japan & Gen.	235.3	250.3	.....	0.90
G.T. Pens. Ex. Fd.	122.4	128.6	.....	5.80
G.T. Int'l. Fund	106.6	113.3	.....	1.30

♥G. & A. Trust (a) (g)
5, Rayleigh Rd., Brentwood (0277) 227300

G. & A.	25.7	27.5	-0.1	5.63

Gartmore Fund Managers ♥ (a)(g)
2, St. Mary Axe, EC3A 8BP. 01-283 3531

(z)American Tst.	24.1	25.8	.....	1.61
British Tst. (Acc.)	36.3	38.8	+0.1	3.41
Commodity Share	116.9	125.7	-0.7	3.46
(z)Far Eastern Tst.	26.8	28.8	.....	2.23
High Income Tst.	40.5	43.6	.....	11.00
Income Fund	49.6	53.3	.....	8.85
Ins. Agencies	11.80	12.66	-0.6	4.44
Intl. Exempt Fd.	76.8	82.6	-0.1	5.89
(z)Int. Ts. (Acc.)	26.9	28.9	.....	1.69

Gibbs (Antony) Unit Tst. Mgs. Ltd.
23, Blomfield St., EC2M 7NL. 01-588 4111

(a) A.G. Income*	29.2	31.5	.....	10.50
(a) A.G. Growth††	26.9	29.0	.....	5.90
(a)A. C. Far East*	25.3	27.3	.....	2.60

Dealing *Tues. ††Wed.

Govett (John).♥
77, London Wall, E.C.2. 01-588 5620

S'holder Feb. 4	109.8	114.9	.....	2.19
Do. Accum. Unit	128.5	135.4	.....	2.19

Next dealing day Feb. 4.

Grieveson Management Co. Ltd.
80 Gresham St., EC2P 2DS. 01-606 4433

Barntn. Feb. 2	166.0	173.9	.....	5.56
(Accum. Units)	174.8	183.1	.....	5.56
Bng. Hyd. Feb. 2	130.8	137.0	.....	8.64
(Accum. Units)	138.5	145.1	.....	8.64
Endev. Feb. 1	158.9	166.4	.....	4.61
(Accum. Units)	160.5	168.1	.....	4.61
C'chtr. Feb. 4	88.0	92.2	.....	3.85
(Accum. Units)	89.0	93.2	.....	3.85
Ln. Br. Feb. 2	61.7	64.5	.....	5.29
(Accum. Units)	62.6	65.5	.....	5.23

Guardian Royal Ex. Unit Mgrs. Ltd.
Royal Exchange, EC3P 3DN. 01-628 8011

INSURANCE, PROPERTY, BONDS

Abbey Life Assurance Co. Ltd.
1-3 St. Paul's Churchyard, EC4. 01-248 9111

Equity Fund	29.3	30.9	.....	—
Equity Acc.	24.0	25.3	.....	—
Property Fd.	123.6	130.2	.....	—
Property Acc.	124.9	131.5	.....	—
Selective Fund	70.0	73.7	.....	—
Convertible Fund	119.0	125.3	.....	—
♥Money Fund	112.0	117.9	.....	—
Pens. Property	137.9	145.2	.....	—
Pens. Selective	65.1	68.6	.....	—
Pens. Security	119.2	125.5	.....	—
Pens. Managed	135.7	142.9	.....	—
♥Prop. Fd. Ser. 4	104.4	109.9	.....	—
♥Man. Fd. Ser. 4	105.0	110.6	.....	—

Chrthse. Japhet Life Ass. Co. Ltd.♥
1 Paternoster Row, EC4. 01-248 3999

Energy Bonds	28.6	30.2	.....	—
Money Bds.	28.0	29.6	.....	—
Managed Bds.	31.0	32.6	.....	—
Equity Bds.	29.2	30.8	.....	—

City of Westminster Assur. Soc
Ringstead House, 6 Whitehorse Road, Croydon, CR0 2JA. 01-684 9664.

First Units	90.2	94.7	.....	—
Fourth Units		58.9	.....	—
Property Units	48.4	50.9	.....	—

City of Westminster Ass. Co. Ltd.
Ringstead House, 6 Whitehorse Road,

Hambro Life Assurance Limited♥
7 Old Park Lane, London, W1 01-499 0031

Fixed Int. Dep.	[illegible]	124.9	.....	—
Equity	[illegible]	141.5	.....	—
Property	[illegible]	138.3	.....	—
Managed Cap.	[illegible]	117.6	.....	—
Managed Acc.	[illegible]	140.8	.....	—
Overseas	[illegible]	100.8	.....	—
Gilt Edged	[illegible]	109.2	.....	—
Pen. F.I. Dep. Cap.	[illegible]	126.9	.....	—
Pen. F.I. Dep. Acc.	[illegible]	140.5	.....	—
Pen. Prop. Cap.	[illegible]	171.8	.....	—
Pen. Prop. Acc.	[illegible]	210.8	.....	—
Pen. Man. Cap.	[illegible]	172.5	.....	—
Pen. Man. Acc.	[illegible]	211.6	.....	—

Lloyds Life Assurance♥
012, Leadenhall St., EC3M 7LS. 01-623 6621

Mlt. Gth. Jan. 6		1.0	.....	—
Opt. 5Eq. Feb. 3	97.8	103.0	.....	—
Opt. Prop. Feb. 3	113.1	119.1	.....	—
Opt. 5 Hyld. Feb. 3	129.7	136.6	.....	—
Opt. 5 Man. Feb. 3	119.2	125.5	.....	—
Opt. Ded. Feb. 3	113.3	119.3	.....	—
♦PM Fd. Jan. 15	154.3	162.5	.....	—
♦Pn. Eq. Fd. Jan. 15	197.0	207.4	.....	—
Pn. Pr. Fd. Jan. 15	122.2	128.7	.....	—
♦Pn. Fd. In. Jan. 15	145.5	153.2	.....	—
♦PnDpFd Jan. 15	126.2	132.9	.....	—

London Indemnity & Gnl. Ins. Co. Ltd.

Prop. Equity & Life Ass. Co.♥
119, Crawford Street, W1H 2AS. 01-486 0857

R. Silk Prop. Bd.		150.6	+0.4	—
Do. Man. Bd.		66.7	.....	—
Do. Equity Bd.		58.1	+1.4	—
Do. Fx. Mny. Bd. Fd.		129.3	+0.3	—
Do. Bal. Ag. Ser. 11		103.7	.....	—
Gilt Ed. & Gov. Sec.		111.0	+2.9	—

Property Growth Assur. Co. Ltd.♥
Leon House, Croydon, CR9 1LU 01-680 0606

Property Fund		146.4	.....	—
Property Fund (A)		146.0	.....	—
Agricultural Fund		574.8	.....	—
Agric. Fund (A)		573.0	.....	—
Abbey Nat. Fund		136.5	.....	—
Abbey Nat. Fd. (A)		136.4	.....	—
Investment Fund		56.0	.....	—
Investment Fd. (A)		55.9	.....	—
Equity Fund		136.7	-0.3	—

Sun Alliance Fund Mangmt. Ltd.
Sun Alliance House, Horsham. 0403 64141

Fxd. Fd. Int. Jan. 12	£118.6	122.9	.....	—
Int. Bond Feb. 1		£11.45	.....	—

Sun Life of Canada (U.K.) Ltd.
2, 3, 4, Cockspur St., SW1Y 5BH 01-930 5400

Maple Lf. Grth.		156.7	.....	—
Maple Lf. Mangd.		111.4	-0.6	—
Maple Lf. Eqty.		105.7	-0.2	—
Persnl. Pn. Fd.		155.1	.....	—

Target Life Assurance Co. Ltd.
Target House, Gatehouse Rd., Aylesbury, Bucks. Aylesbury (0296) 5941

Man. Fund Inc.	89.5	94.8	.....	—
Man. Fund Acc.	100.7	106.7	.....	—
Prop. Fd. Inc.	89.7	95.2	.....	—
Prop. Fd. Acc.		107.0	.....	—
Prop. Fd. Inv.		88.0	.....	—

OFFSHORE AND OVERSEAS FUNDS

S. G. Warburg & Co. Ltd.
30, Gresham Street, EC2. 01-600 4555

Conv. Bond Feb. 4	$US9.41	-0.01	—
Energy Int. Feb. 4	$US15.87	-0.13	—
Gr. St. $Fd. Jan. 31	$US6.91	.....	—

Warburg Invest. Mngt. Jrsy. Ltd.
1 Charing Cross, St. Helier, Jsy, CI. 0534 29041

CMF Ltd. Jan. 27	$US9.40	9.85	.....	—
CMT Ltd. Jan. 27	£9.15	9.39	.....	—
Metals Tst. Jan. 20	£12.93	13.25	.....	—
TMT Jan. 13	$US10.15	10.52	.....	—
TMT Ltd. Jan. 13	£10.23	10.50	.....	—

World Wide Growth Management♦
10a, Boulevard Royal, Luxembourg.

WorldWideGth. Fd.	$US12.25	.....	—

NOTES

Prices do not include $ premium, except where indicated ♦, and are in pence unless otherwise indicated. Yields % (shown in last column) allow for all buying expenses. a Offered prices include all expenses. b Today's prices. c Yield based on offer price. d Estimated. g Today's opening price. h Distribution free of U.K. taxes. x Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. z Previous day's price. ♥Net of tax on realised capital gains unless indicated by ♦. ¶Guernsey yield. ‡Suspended. ‡Single premium insurance bonds. ♦Yield before Jersey tax.

CINEMAS

ABC 1 & 2 Shaftesbury Ave. 836 0861. Sep. Perfs. ALL SEATS BOOKABLE. THE WHITE ROCK (U). GENESIS (U). Wk. & Sun: 2.00. 5.20. 8.20 THE SWEENEY 1 (X). 2.00, 5.15. 8.15 (last 2 days).

CASINO. Old Compton Street. 437 6877. THE TOWERING INFERNO (A). Sep. perfs. Daily 2.45 & 7.30. Last 2 Days.

CURZON. Curzon Street, W.1. 499 3737 COUSIN COUSINE (AA). English subtitles. Progs. 2.30 (not Sun.) 4.25, 6.25, 8.30. "Quite delicious and enormously funny." D. Express. 4th Great Month!

EMPIRE, Leicester Square. 437 1234. All seats may be booked at the box office or by post. BATTLE OF MIDWAY (A). IN SENSURROUND. Sep. perfs. Progs. daily 2.15. 5.15. 8.15.

LEICESTER SQ THEATRE (930 5252). CARRIE (X). Sep. progs. Dly. 3.20. 6.00. 8.50. Seats bkble. for 8.30 prog. Mon.-Fri. and all progs. Sat. and Sun. except late show.

ODEON, LEICESTER SQUARE, (930 6111) THE PINK PANTHER STRIKES AGAIN (U). Sep. progs. Dly. 2.30. 5.30. 8.30. Seats bkble. by post or at box office for Mon.-Fri. 8.30 prog. and Sats. and Sun. all progs. except late night show.

ODEON, Marble Arch (723 2011/2). Charles Bronson Leads The RAID ON ENTEBBE (A). Sep. progs. Dly 2.15 5.15 8.30. All seats bkble.

PLAZA 1 & 2. Lower Regent Street. 437 1234. Sep. perfs. All seats bookable for last perf. Box Office 11 a.m. to 7 p.m. (not Suns.). No phone booking. 1. TWO-MINUTE WARNING (AA). Progs. Wkdys. 1.45. 3.50. 6.10. 8.30. 2. MARATHON MAN (X). Progs. Wkdys. 1.20, 3.35, 6.00. 8.30.

PRINCE CHARLES. Leic. Sq. 437 0101. Now in Her 3rd Sensational Year. The One and Only Original EMMANUELLE (X). Sep. perfs. daily (inc. Sun. 2.45, 6.15, 9.00. Late show Fri. & Sat. 11.45. Seats bookable. Licensed Bar.

SCENE 1, 2, 3, 4. Leic. Sq. (Wardour St.) 439 4470.

SCENE 1. Cont. perfs. daily 12.45. Late show Fri. & Sat. 11.40. THE TEXAS CHAIN SAW MASSACRE (X London). Progs. 12.45, 2.55, 5.05, 7.15, 9.25. Late show Fri. & Sat. 11.40.

SCENE 2 Cont. perfs. daily 12.55. Late show Fri. & Sat. 11.00. GOODBYE NORMA JEAN (X) 2.25, 5.45, 9.05. THE GROOVE TUBE (X). 12.55. 4.15. 7.35. Late show Fri. & Sat. 11.00.

SCENE 3. THE MESSAGE (A). Sep. perfs. daily 12.40, 4.10. 7.50. Late show Fri. & Sat. 11 30.

SCENE 4. Cont. perfs daily 12.45. Late show Fri. & Sat. 11 30. PICNIC AT HANGING ROCK (A). Progs. 12.45, 2.50, 5.40, 8.35. Late show Fri. & Sat. 11.30.

STUDIO 1. Oxford Circus. 437 3300. Claudine Beccarie EXHIBITION (X London) 1.40 (except Sun.) 3.55. 6.10. 8.30.

STUDIO 2. Oxford Circus. 437 3300. MONTY PYTHON & THE HOLY GRAIL (A) 2.40 (except Sun.). 6.00. 9.20. AND NOW FOR SOMETHING COMPLETELY DIFFERENT (A). 1.05 (except Sun.). 4.20 7.40.

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EVE. 189. Regent Street. 734 0557. A la Carte or All-in Menu. Three Spectacular Floor Shows 10.45. 12.45. 1.45 and music of Johnny Hawkesworth & Friends.

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FT SHARE INFORMATION SERVICE

**BRITISH FUNDS

1976/7 High	Low	Stock	£	+ or −	Yield Int.	Red.
		"Shorts" (Lives up to Five Years)				
99 7/32	94½	[illegible]c 3pc 74-77	99 7/32xd	+1/32	3.02	11.12
105 3/32	97 7/16	Treasury 11½pc '77‡‡	100 1/16	.....	11.49	11.30
95⅝	91⅞	Treasury 5pc '77	95¼	.....	3.15	9.70
96	92¼	[illegible] 4pc 72-77	96	.....	4.16	8.88
99⅜	90½	Treasury 9pc 1978‡‡	97⅞xd	−⅛	9.19	11.17
101½	95⅞	Treasury 10½pc '78‡‡	99⅛	−⅛	10.57	11.04
94⅛	89⅝	[illegible] 5pc '76-78	94⅛	+⅛	5.30	8.76
103 3/16	92 3/16	Treasury 11½pc '79‡‡	99¼xd	+⅛	11.59	11.95
88⅞	82¼	Treasury 3pc '79‡‡	83¾	+½	3.38	7.84
89⅝	82¼	[illegible] 4¼pc 74-79	89¼	+⅛	4.76	0.91
100 3/32	88⅞	Treasury 10½pc '79‡‡	97⅛	+1/16	10.81	11.73
89⅛	82¼	[illegible] 3½pc '76-79	89⅝	+⅛	3.92	7.84
96 3/32	84½	Treasury 9pc 1980‡‡	95 3/16xd	+1/16	4.42	10.76
96½	84 3/16	Treasury 9½pc '80‡‡	94½	+⅛	10.05	11.56
88⅛	78¼	Treasury 3½pc '77-80	88	.....	3.98	7.62
89½	80	[illegible] 5¼pc '78-80‡‡	89⅝	+⅛	5.87	8.98
102 3/16	96	Exchequer 13pc 1980‡‡	102 3/16	+1/16	12.66	12.07
103 3/16	88½	Treasury 11½pc 1981‡‡	99⅝	+⅛	11.57	11.69
86	76¼	Treasury 3½pc 1979-81	84xd	+⅛	4.16	8.26
95⅝	82 3/16	Treasury 9¾pc 1981‡‡	99 7/32	+3/32	10.43	11.78
102 3/32	96¼	[illegible] 12¼pc 1981‡‡	102 3/32	+1/32	12.45	12.05
94⅛	79⅞	Treasury 8¼pc '80-82‡‡	92	.....	9.24	10.62
		Five to Fifteen Years				
77¾	69¼	Treasury 3pc '82‡‡	77¾xd	+⅛	3.86	8.53
111	98⅝	Treasury 14pc '82‡‡	106½xd	.....	12.98	11.92
107¼	88⅞	Treasury 12pc 1983‡‡	105¼	+¼	11.94	11.88
81⅛	69⅝	Funding 5½pc '82-84‡‡	80¾	+⅛	6.80	9.41
87⅞	74¼	Treasury 8½pc '84-86‡‡	86⅝	+⅛	9.89	10.92
74⅞	60½	Funding 6½pc '85-87‡‡	74½	+⅛	8.94	11.00
77⅝	65⅛	Treasury 7¾pc '85-88‡‡	76¾	+¼	10.13	11.59
54¾	44⅞	Transport 3pc '78-88	54½	−¼	5.54	9.75
59¾	48	Treasury 5pc '86-89	59¼	−¼	8.67	11.38
103¼	86½	Treasury 13pc 1990‡‡	97⅞	−⅜	13.40	13.48
75⅞	61⅝	Treasury 8¼pc 87-90‡‡	74⅛	−¼	11.23	12.41
60	47⅞	Funding 5¾pc '87-91‡‡	59½	−¼	10.00	12.08
100½	83	Treasury 12¾pc '92‡‡	94⅞xd	−⅜	13.60	13.73
		Over Fifteen Years				
98½	81	Treasury 12½pc '93‡‡	92¼	−⅝	13.68	13.84
58	45⅞	Funding 6pc 1993‡‡	54¾xd	−¼	10.84	12.42
100	96	Treasury 13¾pc 1993‡‡	99⅞	−⅝	14.01	14.02
105½	91¼	Treasury 14½pc '94‡‡	101⅞xd	−⅝	14.12	14.08
75⅞	59½	Treasury 9pc '94‡‡	73⅝	−⅜	12.57	13.16
37⅞	28⅝	Gas 3pc '90/95	37¼	−⅛	8.23	11.30
100	79	Treasury 12¾pc '95‡‡	95¼	−⅝	13.82	13.98
75⅞	59⅞	Treasury 9pc '92/96‡‡	70½xd	−⅜	12.61	13.13
110⅛	97½	Treasury 15¼pc '96‡‡	105½	−⅝	14.42	14.34
108⅛	99	Treas. 15¼pc '96 'A'‡‡	107½	−⅝	14.40	14.33
98⅞	81½	Exchequer 13¼pc '96‡‡	95⅛	−⅝	13.92	13.97
36⅛	28	Redemption 3pc 1986-96	36⅝	−⅛	8.44	11.15
102½	83⅞	Treasury 13¼pc '97‡‡	95⅛	−⅝	13.93	13.97
78⅛	58	Treasury 8¾pc 1997‡‡	68xd	−⅜	12.77	13.24
57⅞	43	Treasury 6¾pc '95-98‡‡	56⅝	−⅜	12.32	13.10
112⅞	95⅛	Treas. 15½pc '98‡‡	112¼	−⅝	14.45	14.37
110½	98	Treas. 15½pc '98 'A'‡‡	109⅞	−⅝	14.44	14.37
76	62¼	Treasury 9½pc 1999‡‡	73⅝	−⅜	13.81	13.32
31½	25⅝	Funding 3½pc '99-04	31¼	−⅛	11.29	12.35
65	51	Treasury 8pc '02-06‡‡	64⅛	−⅜	13.04	13.22
46⅛	35⅝	Treasury 5½pc '08-12‡‡	42½xd	−⅜	12.84	13.04
60⅞	50¾	Treasury 7¾pc '12-15‡‡	59⅛	−⅜	13.11	13.18
		Undated				
30⅝	25¼	Consols 4pc	29	−¼	13.83	—
29½	22¼	War Loan 3½pc‡	28¼	−¼	12.46	—
29⅞	23⅞	Conv. 3½pc '61 Aft.	29	−¼	12.61	—
23¼	18½	Treasury 3pc 66 Aft.	22¾	−⅛	13.81	—
19⅝	16	Consols 2½pc	19	−⅛	13.32	—
19⅞	15⅞	Treasury 2½pc	19	−⅛	13.30	—

**INTERNATIONAL BANK

1976/7 High	Low	Stock	£	+ or −	Int.	Red.
78¾	66½	5pc Stock 77-82	78¾xd	.....	6.32	10.03

**CORPORATION LOANS

1976/7 High	Low	Stock	£	+ or −	Int.	Red.
89¾	78¾	Birm'ham 9¾pc '79-81	87¼	+¼	10.60	13.08
97	89½	Essex 5¼pc '75-77	97	+¼	5.67	13.24
97¾	92⅞	G.L.C. 7¼pc 1977	97¼	+⅛	7.41	11.82
102½	86½	Do. 12½pc '82	99½	−1	12.86	13.25
80¾	73⅛	Herts. 5½pc '78-80	80¼	.....	6.50	12.54
97⅛	91⅞	Liverpool 7pc '76-77	97¼	+⅛	7.20	11.93
86¾	73½	Do. 9¼pc '80-84	86½	.....	11.56	13.12
26	20½	Do. 3½pc Irred.	25¾	.....	13.98	—
92⅞	85¾	Lon. Corp. 6½pc '75-78	92⅞	.....	7.03	12.17
83¼	71	Do. 9¼pc '84-85	83	.....	11.57	13.21
94½	87⅞	L.C.C. 6pc '75-78	94½	.....	6.35	11.89
76¼	64¼	Do. 5½pc '77-81	76¼	+¼	7.21	12.39
67¾	58	Do. 5½pc '82-84	67½	.....	8.17	12.35
59¾	49	Do. 5½pc '85-87	59½	.....	9.36	12.80
60½	49½	Do. 6¾pc '88-90	59½	.....	11.42	13.38
22½	18	Do. 3pc '20 Aft.	21¼xd	−¼	14.21	—
95⅝	90	Middx. 6¼pc '75-77	95⅝	+⅛	6.54	11.91
81¼	74	Do. 5½pc 1980	81¼	+¼	6.46	12.70
90½	81¼	Newcastle 9¼pc '78-80	89½	+¼	10.34	12.97
101½	90½	Warwick 12½% 1980	96½	+¼	12.69	12.97

COMMONWEALTH & AFRICAN LOANS

1976/7 High	Low	Stock	£	+ or −	Int.	Red.
93	85⅝	**Aust. 5½pc '75-78	93	.....	6.04	11.45
85⅛	77¼	**Do. 5½pc 77-80	85⅛	.....	6.49	11.86
76¾	64½	**Do. 5½pc '81-82	76¾	.....	7.34	12.17
89½	80¾	**N.Z. 4pc 1976-78	89½	.....	4.50	10.72
85¾	77	**Do. 6pc '76-80	83½xd	.....	7.15	12.46
74	62	**Do. 7½pc '83-86	73½	−½	10.34	12.57
91	79	Sth. Africa 9½pc '79-81	87¼	.....	11.19	13.94
65	22	Sth. Rhod. 2½pc '65-70	33	.....	—	—
64	34	Do. 6pc '78-81	49	−1	—	—

LOANS (Miscel.)

1976/7 High	Low	Stock	£	+ or −	Int.	Red.
81⅛	42	Agric. Mt. 5pc '59-89	46½	.....	10.40	13.89
76½	64	Alcan 10½pc '89-94	73	.....	14.38	15.32
100¼	89⅞	**FFI 13pc '81	100¼	.....	12.97	12.90
106	98	Do. 14pc 1979	104½	.....	13.40	14.10
66¼	54	ICFC 8¾% Ln. 92-97	61⅞xd	.....	14.37	14.98
98	89	Do. 9pc 1977	98	.....	9.18	13.59
25¼	19	**Met. Water 3pc 'B'	24xd	.....	12.38	13.75
110	71	U.S.M.C. 9pc 1982	102	.....	8.82	8.95
82½	71	Do. without Wrnts.	82½	.....	10.91	14.20
91	84	Ultramar 7pc '75-78	91	.....	7.69	14.20

FOREIGN BONDS & RAILS

1976/7 High	Low	Stock	Price £	+ or −	Div % Gross	Red. Yield
20	9	Antofagasta Rly.	20	.....	—	—
36	27½	Do. 5pc Pref.	36	.....	B—	—
95	26½	Berlin 4½pc Ass.	95xd	.....	4½	—
98	94	Chilean Mixed	95	.....	3	£3.16
202	192	German Yng. 4½pc.	201	.....	4½	—
72	60	Greek 7pc Ass.	60	.....	3½	£5.91
67	55	Do 6pc 28 Stab. Ass.	58	.....	3	£5.31
48	15	Do 4pc Mixed Ass.	42	.....	2	£4.82
58	30	Hung. '24 Ass.	38	.....	4½	7.64
55	45¾	Iceland 6½pc '83-88	52	.....	6½	15.80
73¼	67½	Ireland 7½pc '81-83	73¼	−½	7½	13.99
77	60	Do 9¾pc '91-96	72½	−½	9¾	14.69
267	165	Japan 4pc '10 Ass.	235	−2	—	—
71½	48	Do 6pc '83-88	66½	.....	6	11.25
163	125	Peru Ass. 3pc	150	.....	3	2.02
19	17½	Romanian 4pc C's.	18½#	.....	4	2.15
$74	$70	S.G.I. 6½pc 1980	$71	.....	6½	8.90
$97	$91	Turin 9pc 1991	$95½	.....	9	9.67
DM84	DM81	Turin 6½pc 1984	DM83	.....	6½	9.70
71	62	Uruguay 3½pc	62xd	.....	3½	7.02

U.S. $ & DM prices exclude inv. $ premium

AMERICANS

1976/7 High	low	Stock	£	+ or −	Div. Gross	Cvr	Y'ld Gr's
27¼	10⅞	ASA	13⅞	−⅛	80c	—	3.6
75	45	AMF 5% Conv. '87	75	.....	5%	—	f4.2
54	35	Amax $1	41⅜	−1¼	$1.75	—	2.6
11⅛	4⅜	Amer. Medic. Int.	10½	−¼	24c	—	1.4
50½	31	Baker Intnl. Corp. $1	36½	−¼	46c	—	0.8
17	8⅞	Barnes Grp. $6⅔	13½	−¼	80c	—	3.7
19½	12¼	Bell & Howell $	14⅞	−¼	84c	—	3.6
38⅝	26	Bendix Corp. $5	35⅞	−⅝	$2.00	—	3.5
38¼	25⅝	Beth. Steel $8	27⅞	−1¼	$2.00	—	4.5
745p	459p	Brown'g Fer. c16⅔	620pxd	−15	40c	—	4.0
15¾	856p	Brunswick Corpn.$	12¼xd	−¼	50c	—	2.4
89	55½	Burroughs Corp. $5	55½xd	−2¼	80c	—	0.9
54⅝	36⅝	CBS $2.50	43⅛	−1¼	$2.00	—	2.9
42¾	32	C.P.C. $¼	35¾xd	−1¼	$2.30	—	4.1
31½	19⅛	Carborundum $1.50	26⅜	−1	$1.12	—	2.6
52	36⅞	Caterpillar $	39¾	−⅞	b$1.50	—	2.4
24	14¼	Champion Int. Inc.	16½	−⅜	$1.00	—	3.4
27⅞	20⅞	Chase M'htn. $12.5	24¼xd	−⅜	$2.20	—	5.7
26⅝	16⅜	Chesebrough $1	17¼	−⅜	76c	—	2.8
19⅝	788p	Chrysler $6¼	16⅛	−⅛	30c	—	1.2
31½	22⅞	Citicorp $4	23⅜xd	−¼	96c	—	2.5
13¾	539p	City Inv. $1.25	11	−⅜	66c	—	3.3
22	12¾	Do. Cm. Prf. B $1	20¼	−1	$2	—	6.1
41⅝	17¼	Colgate-P. $1	13⅞	−⅛	88c	—	2.9
46¼	40⅝	Colt Inds. $1	41⅞	−⅞	$2.50	—	3.8
50¾	28⅝	Cont. Illinois $10	44¼	−1⅛	$2.40	—	3.4
38⅛	22	Cont. Oil $5	28⅝	−¼	$1.20	—	2.6
39⅛	26¾	Crown Zell. $5	31⅝	−⅝	$1.80	—	3.6
35	21½	Cutler-Hammer $5	30½	−⅛	$1.60	—	2.7
39¾	23¼	Eaton Crp. $0.50	31⅝	−⅜	$2.00	—	4.0
51⅝	31⅞	Exxon $	48½	−2	$3.00	—	4.6
22⅛	16⅞	Firestone Tire $	17½	−⅜	$1.10	—	3.9
19¾	14	First Chicago $5	16	−⅜	96c	—	3.8
38¼	23⅛	Fluor Corp. $⅝	27⅞xd	−⅛	80c	—	1.9
55½	35	Ford Motor $2½	44⅞xd	−1⅛	$3.20	—	4.5
29⅜	20⅝	GATX	24	−½	$1.80	—	4.7
51½	36⅞	Gen. Elect. $2½	39	−1⅜	$1.60	—	2.6
30⅛	20½	Gillette $1	20½	−¼	$1.50	—	4.5
45	26⅛	Honeywell $1.50	34½	−1	$1.60	—	2.9
23⅛	11¼	Hutton (E.F.) $1	12½	−¼	60c	—	3.0
263⅛	178¼	I.B.M. Corp. $5	205	−5	$10.04	—	3.1
79⅞	49⅝	Ingersoll-R $2	51⅛	−⅝	$2.80	—	3.4
27⅜	13¾	Int. Systems & Con. $1	16¼	+¼	25c	—	1.0
11½	872p	I. U. International$	964p	−22	90c	—	5.8
34⅜	22	Kaiser Al. $⅓	27¼	−1½	$1.20	—	2.8
34⅝	23¼	Manf. Han. US$7.50	29¼	−⅝	$1.92	—	4.1
53½	40¼	Morgan (JP) US$2.5	40¼	−1	$2.00	—	3.1
21⅛	14¼	Norton Simon Inc. $1	14¼	−⅜	60c	—	2.6
54⅝	39⅞	Owens-Ill. $3.125	40⅛	+¼	$1.88	—	2.9
23	17½	Quaker Oats US$5	17⅞	−⅝	9.2c	—	3.2
17½	891p	Reliance $0.25	15¼	−¼	—	—	—
25¼	14⅞	Rep. N.Y. Corp. $5	19½	+½	88c	—	2.8
33	16½	Rexnord $5	27⅛	−⅜	$1.44	—	3.1
24⅞	16⅝	Richdsn.-Mrrll. $1¼	19⅛	−⅝	70c	—	2.3
392p	235p	Saul (B.F.) $10	315p	−7	—	—	—
69⅞	34¼	Shell Oil $1	60⅞	−1	$3.00	—	3.1
20⅞	705p	Singer ($10)	15¼	−⅛	10c	—	0.4
45¼	28⅞	Sperry Rand $0.50	29¼	−⅝	92c	—	2.0
32⅞	21⅞	TRW Inc. $1¼	29⅛	−⅛	$1.40	—	3.0
32¼	21⅞	Tenneco Inc.	28⅛	−½	$1.86	—	4.2
151	113½	Do. 10% Ln. Stk. 91-95	148	.....	10%	—	f6.8
14⅞	10¼	Tesoro P. US$0.16⅔	12¼	−⅛	$1.00	—	5.1
26⅜	18	Texaco $6.25	21⅞	−⅝	$2	—	5.7
12⅝	649p	Transamerica $1	11½xd	−¼	66c	—	3.6
49	34⅞	U.S. Steel $30	34⅜	−½	$3.30	—	6.0
25¼	13⅛	Vetco $0.50	16¼	+¼	10c	—	0.4
22¼	16⅞	Woolworths $3½	19⅝	−⅜	$1.20	—	3.9
61⅛	40	Xerox Corp. $1	40¾	−2	$1.20	—	1.9
13	864p	Zapata Corp. 25c	10½	−⅛	s30c	—	1.8

S.E. List Premium 30⅞% (based on $U.S.1.7142 per £)

Conversion factor [illegible]

CANADIANS

1976/7 High	low	Stock	$	+ or −	Div. Gross	Cvr	Y'ld Gr's
14¼	10	Bk. Montreal $2	10¼	−⅛	$1.00	—	5.7
20¼	14½	Bk. Nova Scotia $1	15	−¼	86c	—	3.4
46¾	33¾	Bell Canada 25c	36⅛	−⅛	$3.72	—	6.1
23⅝	12	Bow Valley$	17⅞	−⅝	10c	—	0.3
10⅛	780p	Brascan$	890p	−30	10⅛	—	6.6
29 3/16	18 3/16	Can. Imp. Bk. $2	18¼	−5/16	$1.40	—	4.4
16⅜	10⅛	Can. Pacific $5	12¼xd	−⅛	80c	—	4.1
29⅝	25 3/16	Do. 4pc Deb. £100	29½	.....	4%	—	13.6
37⅞	17½	Gulf Oil Can.$	20½	−¼	$1.00	—	2.9
670p	340p	Hawker Sid. Can.$	365p	−5	36c	—	5.8
33	20¼	Hollinger $5	22	.....	$1.94	—	6.5
18	10⅞	Hudson's Bay $	12 7/16	−⅛	60c	—	2.8
34⅛	25½	Hud. B. Oil G. $2½	27¼	−½	$1.52	—	0.1
22¼	15	Imperial Oil$	17⅛	−⅛	86.4c	—	2.9
31½	19½	Inco	25	−⅜	$1.40	—	3.3
920p	660p	Int. Nat. Gas $1	745p	−15	80c	—	6.3
25½	15½	Massey Ferg.$	15½	−⅛	$1.00	—	3.8
27⅝	20¼	Pacific Pet. $1	27¼	+¼	86.4c	—	2.4
42p	24p	Place Gas $1	36½p	.....	—	—	—
30¼	20¼	Rio Algom	21	.....	$1.00	—	2.8
27¼	17⅞	Royal Bk. Can. $2	18½	−⅜	$1.38	—	4.4
28 3/16	16 3/16	Seagram Co. C$1	17¼	−⅛	86.4c	—	2.9
18⅞	12¼	Tor. Dom. Bk. $1	13	−⅛	76c	—	3.5
11⅞	830p	Trans Can. Pipe 33⅓c	985p	+10	95c	—	5.7

S.E. List Premium 30⅞% (based on $1.7525 per £)

BANKS AND HIRE PURCHASE

هكذا من الأصل

INDUSTRIALS—Continued

1976/77 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's	P/E
14½	8	Liden 10p	12½	......	—	—	—	—
32	23	Light & Leis. 10p	29½	−½	h1.6	3.1	8.3	3.9
28	11½	Lindsay & Wms.	28	......	—	—	—	—
68	40	Lindustries	65	+1	4.0	2.7	9.7	5.8
36	21	Lipton (L.)	26	......	1.0	2.0	5.9	13.2
47	16½	Lon. & Nthn. Grp.	30	......	3.25	1.6	16.7	5.7
18	12½	Long Hmbly. 10p	18	......	1.29	3.6	11.0	3.9
40	29	Longton Trans.	39	−1	†3.1	†2.8	12.5	4.4
65	30	Lonsdale Univsl.	45xd	......	4.15	ϕ	14.2	ϕ
170	108	Low & Bonar 50p	145	......	t9.75	2.1	10.3	6.2
82	40	MK Refrig'n 10p	75	......	gd2.76	3.7	5.7	8.1
11¼	6	MPI 5p	9½	−¼	—	—	—	—
53	27	M.Y. Dart 10p	38	......	‡†1.5	4.1	6.1	6.0
18	13	Macanie Ldn. 10p	15	......	1.61	1.4	16.5	5.9
95	59	M'c'rthy Ph. 20p	82	......	3.52	3.1	6.7	7.3
66	40	Macfarlane Gp.	48	......	†3.13	1.7	10.0	9.1
193	120	McBride Rbt. 10p	188	−5	†3.99	5.1	3.3	6.1
26	13	McCleery L'A	16½	......	1.84	2.7	17.2	3.3
58	31	Macpherson (D.)	51	......	†2.14	2.8	6.5	8.6
20	14½	Md'me Tus'ds 5p	19	+½	g0.97	2.7	7.9	8.1
67	43	Magnolia Group	56	......	†2.19	6.5	6.0	3.9
68	44	Mcgnt. Ag. M. 10p	63	......	5.2	2.3	12.7	5.3
235	144	Man. Ship Can. £1	235	......	†12.67	3.3	8.3	5.2
39	10	Marks (A.) 10p	39	......	‡†1.35	—	‡	—
15½	9½	Marling Ind. 10p	14	......	†d0.92	3.3	10.2	4.3
36	20½	Marshall L'sy. 'A'	28	......	2.02	3.4	11.1	4.0
140	97	Marshall's Univ.	138	......	g6.65	4.0	7.4	3.9
129	63	Martin-Black	83	......	14.4	4.6	8.2	4.5
97	50	Maynards 25p	66	......	4.33	2.3	10.1	6.5
19½	10	Medminster 10p	12	......	20.4	—	—	—
15½	9	Mentmore 5p	9	......	0.88	0.9	14.3	11.7
302	189	Metal Box £1	274	+2	†12.1	2.6	6.6	8.9
76	57	Metal Closures	73	+1	†3.43	2.7	7.2	7.9
33	24	Metioy	32	......	†1.87	3.8	9.0	4.8
163	131	Miln. Mrstrs. 50p	152	......	6.94	2.8	7.0	7.9
51	28	Mil. Cetts. Tr'sp't	40	......	2.99	2.2	11.5	4.9
£258	£171	M'santo 5pc '82-6	£181	+1	Q5%	767.1	f2.8	—
31	11	Mono Containers	16	......	‡2.0	0.1	‡	—
5	1	Montrment 10p	3¾	+¼	—	—	—	—
103½	69	Morgan Crucible	92	......	t4.72	1.9	7.9	11.3
34	21	Moss (Robt.) 10p	30	......	†h1.66	1.8	8.5	7.4
13	8½	Movitex 10p	11	......	—	—	—	10.4
102	38	Myson Gp. 10p	66	−2	3.78	2.7	8.8	4.9
62	44	Nash (J. F.) Secs.	55xd	......	4.63	2.6	13.0	4.5
52	25	Nathan (B. & I.)	35	......	2.72	1.6	12.0	7.8
53	17½	Nat. C'rb'ng 10p	50	−1	0.65	1.1	2.0	65.1
£52½	£36½	N.C.R. 4% 93/98	£47	......	Q4%	ϕ	f8.6	—
51	35	Negretti & Zambra	41	+1	2.96	2.4	11.1	4.4
36	19	Neil & Sp'ncer 10p	35	......	t1.3	—	5.7	12.6
14	6½	New Equip. 10p	8½	......	0.88	2.1	15.9	4.5
84	40	Newey Group £1	62	+1	2.0	—	5.0	—
86½	45½	Norcros	61	−1	3.6	2.5	9.1	6.7
62	36	Norton & Wr't. 10p	46	......	†d3.64	2.3	12.2	5.5
31	11	Norvic Secs. 10p	15	......	†2.2	0.5	‡	—
24½	14½	Nu-Swift 5p	20½	+½	t1.4	1.3	10.5	12.0
71	40	Office & Elect.	67	......	g3.65	3.7	8.4	5.4
75	55	Ofrex 20p	68	+1	†2.88	2.6	6.5	9.0
76	25	Ovenstone 12½c	26	......	Q10c	2.3	27.8	1.6
149	69	Oxalid	103	......	5.3	1.6	7.9	12.3
£74	£57	Do. 6½% Conv.	£67	......	Q6½%	46.5	f9.7	—
57	23	P.M.A. (Holdings)	29	......	—	—	—	—
65½	42	Parker Knoll 'A'	61	......	2.89	6.6	7.3	3.2
7	1¼	Patent Ind.	1¼#	......	—	—	—	7.0
99	60	Paulis & Whites	91	−1	g3.49	3.9	5.9	7.4
25	17	Peerage 10p	25	......	†1.32	4.0	8.1	4.7
9	5	Pentland 10p	7	......	†0.38	2.9	8.4	4.6
57	31	Pentos 10p	49	......	†3.84	2.4	12.1	5.2
113	55	Petrocon 12½p	72	......	4.32	q1.9	9.2	8.8
11	4	Phillips Patents	6	......	B—	—	—	—
31	20	Photax (Lon)	30	+2	†2.22	2.6	11.4	5.1
132	85	Photo-Me 50p	132	......	2.27	7.6	2.6	6.4
43	21	Photopia Int	28	......	d1.29	4.6	7.1	4.8
13	10	Pickles (Wm) 10p	13	......	†0.6	2.3	7.1	9.5
9½	5½	Do. A.N/V'g 10p	7½	......	†0.6	2.3	12.2	5.5
348	211	Pilkington Br. £1	317	+2	†9.38	3.5	4.6	9.6
£55	£40	Pitn'y Bowes Ln.	£52	......	Q5½%	5.6	10.9	—
59	35	Plastic Const. 10p	44	......	3.38	2.7	11.8	4.9
35	24	Pleasurama 5p	33	......	1.81	ϕ	8.7	ϕ
41	21	Polymark 10p	34	......	†2.44	4.1	11.4	4.0

MOTORS, AIRCRAFT TRADES

Motors and Cycles

1976/77 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's	P/E
36	19	Brit. Leyland 50p	24	−1	—	—	—	—
365	230	Gen. Mts. Units	285	......	Q$2½c	ϕ	5.5	ϕ
30	12	Lotus Car 10p	22	−1	—	—	—	—
9¾	4¼	Reliant Mtr. 5p	6¼	......	—	—	—	—
69½	43	Rolls Royce Mtrs.	65	......	t3.5	2.1	8.3	8.8
£29	£15	Volvo Kr50	£15½	......	Q12%	1.4	6.0	12.1

Commercial Vehicle

1976/77 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's	P/E
31	14	Crane Fruch. 10p	30	......	‡b2.15	2.0	11.0	6.9
48	21	E.R.F. (Hldgs.)	47	−1	21.5	—	5.1	—
25	16	Fodens (50p)	24	+1	0.65	—	4.2	—
16	8	Peak Invests. 10p	10	......	0.65	1.9	10.0	(6.5)
94½	72	Plaxtons	89	......	d6.49	2.2	11.2	6.2
31	22	York Trailer 10p	29	+1	†1.74	1.6	9.3	17.0

Components

1976/77 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's	P/E
39	28	Abbey Panels	36xd	......	d2.6	ϕ	11.1	ϕ
46	22	Airflow Stream.	44	......	†d4.0	1.1	14.0	9.8
50½	25½	Armst'ng Eq. 10p	49	......	t1.82	5.0	5.7	9.5
•105	55½	Assoc. Eng'g	93½	+1½	4.02	3.4	6.6	7.2
62	35	Automotive	61	+½	1.66	5.7	4.3	6.7
47	29	Bluemel Bros.	38	......	3.34	ϕ	13.5	ϕ
18½	9	Brown Bros. 10p	13	+¼	0.6	2.7	7.1	8.1
85½	59	Clayton Dewandre	82	......	†5.72	1.8	10.7	0.0
121	72	Dowty 50p	111	......	h3.61	3.0	5.0	10.3
98	57	Dunlop 50p	88	−2	†3.57	5.1	6.2	4.9
37	27	Flight Refuelling	37	......	†2.32	2.6	9.9	6.0
11½	5½	Hmn. Smith 10p	8¾	......	0.43	6.0	7.6	3.7
78	42	Pouchin	77	......	3.25	6.2	6.5	3.8
56	14	Kwik-Fit Hldgs.	56	......	g1.25	3.9	3.4	9.8
250	128	Lucas Inds. £1	236	−1	7.36	4.5	4.8	6.7
120	100	Stockfis Robert	120	......	†6.23	4.0	8.0	4.8
26½	11	Supra Group 10p	18	+1	h0.76	3.1	6.5	7.6
73	36	Turner Mfg.	65	−1	3.57	2.9	8.7	6.0
67½	32½	Wilmot Breeden	65½	−½	g2.76	4.1	6.5	6.5
112	74	Woodhead (J.)	111	+1	†6.21	3.0	8.6	5.9
76	27	Zenith 'A' 50p	76	......	2.62	0.8	5.3	18.2

Garages and Distributors

1976/77 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's	P/E
64	40	Adams Gibbon	54	......	3.6	[illegible]	10.3	3.5
7½	4	Alexanders 5p	6¼	......	—	—	—	—
58	39	Appleyard Grp.	55	......	t4.4	[illegible]	12.3	5.6
88	59	Arlington Motor	68	......	6.49	[illegible]	14.7	7.9
25	11	BSG Int. 10p	20½	......	t1.46	[illegible]	11.0	5.6
23½	16½	Braid Group 5p	20½	......	1.23	[illegible]	9.5	4.9
40	23	Brit. Car Auc. 10p	33	......	h1.77	[illegible]	8.3	8.1
16	13	C.G.S.B. 10p	15xd	......	1.28	[illegible]	13.1	19.8
87	66	Caffyns 50p	65	−1	5.23	[illegible]	9.5	7.7
37	23	Cowie (T.) 5p	29	......	d1.53	ϕ	8.1	ϕ
47	25	Davis Godfrey	37	......	[illegible]	[illegible]	11.3	11.5
54	36	Dorada	54	......	3.76	[illegible]	10.7	7.4
29½	18	Dutton Forshaw	29½	......	†1.75	3.6	9.1	4.7
32½	21	Gates (F.G.)	29	......	h1.29	3.8	6.8	3.9
25	12	Glanfield Lawr.	18xd	......	1.25	ϕ	10.7	ϕ
12	6½	Hanger Invs. 10p	10½	......	0.25	5.4	3.7	7.9
56	42	Harrison (T.C.)	56	......	†d3.33	2.4	9.2	7.0
54	35	Hartwells	54	......	3.57	2.4	10.2	6.2
97	53	Henlys 20p	90½xd	−½	5.9	ϕ	10.0	ϕ
41	24	Heron Mtr. Grp.	39	......	†2.89	1.4	11.4	11.5
£80	£60	Do. 10pc Cnv.	£80	+4	Q10%	9.1	f12.8	—
67	52	Hurst (Charles)	63	......	d5.37	3.1	13.1	3.8
19	14	Jessups 10p	19	......	1.39	2.7	11.3	5.1
63½	36½	Kenning Mtr.	51½xd	−½	3.72	ϕ	11.1	ϕ
48½	23	Lex Service Grp.	46½	+1½	†2.92	1.6	9.3	17.7
31	20½	Lookers	31	+3	2.2	ϕ	10.9	ϕ
32	17	Lyon & Lyon	28	......	†2.05	1.6	11.3	8.7
15	7	Manchester 10p	12	......	h0.6	1.5	7.7	13.4
8½	4¼	Nelson David 5p	5	......	—	—	—	21.7
6	2½	Pennine Mtr. 10p	4¼	......	—	—	—	—
81	58	Perry (H.) Mtrs.	78	......	†4.42	3.2	8.7	5.5
35½	25	Photo Mtrs. 20p	35	......	g2.21	3.8	10.0	4.5
166	83	Pride & Clarke	114	−2	10.0	1.9	13.5	5.0
28½	15½	Quick (H. & J.) 5p	25½	......	†0.94	6.8	5.8	3.9
10	6	Reynolds W.J. 5p	7	......	0.55	0.7	12.2	18.7
4½	2½	Rix (Oliver) 5p	3¾	......	—	—	—	—
25	15½	Tate of Leeds	23	......	0.62	—	4.2	—

PROPERTY—Continued

1976/77 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's	P/E
8½	4	Regalian	6	......	—	—	—	—
52	20	Regional Prop.	38	−2	0.32	—	1.3	—
50	19½	Do. 'A'	36	−1	0.32	—	1.4	—
55	22	Rush & Tompkins	47	−1	2.34	2.5	7.6	8.4
51½	17½	Samuel Props.	51	+½	0.1	11.2	0.3	30.6
96	51	Scot. Metrop. 20p	83	−1	g1.91	1.2	3.5	36.2
32	20	Second City 10p	28	−½	t1.7	4.0	9.3	6.4
94	49½	Slough Ests.	86	+1	g2.03	1.9	3.6	22.0
£143	£88	Do. 10% Conv. '90	£133	−1	Q10%	11.0	f7.6	—
192	66	Stock Conversn.	181	−1	b1.19	2.2	1.5	45.7
177	65	Sunley (B.) Inv.	128	−1	3.95	—	4.7	—
30	13	Town Centre	27½	......	0.73	0.8	4.1	40.4
23	3½	Town & City 10p	10	......	0.01	—	—	—
59	33	Trafford Park	48	......	3.25	1.1	10.4	12.5
17½	7	U.K. Property	14	−½	—	—	—	—
215	120	Utd. Real Prop.	196	−4	4.62	1.5	3.6	28.3
192	110	Warnford Inv. 20p	188	+4	4.36	1.6	3.6	26.8
21½	14½	Webb (Jos) 5p	19	+½	d0.86	2.2	7.0	10.2
17½	7	W'minster P. 20p	9½	−¼	—	—	—	—
26	15½	Winston Ests.	20	......	1.04	1.7	8.0	11.0

SHIPBUILDERS, REPAIRERS

1976/77 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's	P/E
52	28	Hawthorn L. 50p	28	−1	1.5	—	8.2	—
60½	33	Swan Hunter £1	59	−1	5.91	2.4	15.4	(3.0)
91	63	Vosper Th'croft	77	......	g4.13	11.0	8.3	1.9
182	124	Yarrow 50p	170	+4	4.13	ϕ	3.7	ϕ

SHIPPING

1976/77 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's	P/E
253	176	Brit. & Com. 50p	250	......	t8.29	4.2	5.1	7.9
191	72	Common Bros. 50p	198	+4	5.2	4.3	4.2	6.3
117	74	Fisher (J.)	112	......	†2.49	4.4	3.4	7.2
238	129	Furness Withy £1	231	......	†6.65	4.3	11.0	1.1
162	107	Hunting Gibsn. £1	150	......	9.75	5.4	10.0	2.9
28	18¼	Jacobs (J.I.) 20p	27¾	......	1.5	2.8	8.1	6.8
50	28½	Lon. O'Seas. Frtrs.	49	−¼	2.08	4.5	6.5	5.2
225	143	Lyle Shipping	172	......	†3.99	0.7	3.6	61.8
280	190	Man. Liners 20p	245	......	5.02	1.7	3.2	29.2
10¼	4½	Mersey Dk. Units	6¼	......	—	—	—	—
70	36	Milford Docks £1	51	......	1.62	1.4	4.9	19.3
159	101	Ocean Transport	150	......	†6.66	1.4	6.8	14.4
138	87	P. & O. Defd. £1	133	−5	†5.32	1.3	6.2	17.2
353	140	Reardon Sm. 50p	212	......	†2.74	9.4	‡	—
108	50	Do. 'A' 50p	80½	......	†2.74	9.4	‡	—
139	85	Runciman (W.)	111	......	6.75	3.7	9.4	4.4
122	47	Sheaf Steam 50p	114	......	‡2.37	5.3	3.3	5.8

SHOES AND LEATHER

1976/77 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's	P/E
16½	10	Allebone 10p	12½	−½	1.31	0.8	16.3	11.8
44	32	Booth (Intn'l)	42	......	t3.57	3.6	13.1	3.3
46	31	Footw'r. Invs. 10p	43	+1	d3.57	2.3	12.8	5.2
79	64	Garnar Scotblair	75	......	t3.25	8.3	6.7	4.1
50	36	Hiltons 20p	44	......	3.95	1.2	13.8	9.2
54	26	K Shoes	35	−1	2.09	2.7	9.2	6.3
44	30	Lambert Hth. 20p	37	......	†2.61	3.5	10.9	4.1
28	22½	Newbold & Burt'n	27	+½	†2.27	2.1	13.0	5.6
32	18	Oliver (G) 'A'	25	+2	†1.53	2.9	9.4	5.6
55½	37½	Pittard Grp.	53	+1	g2.48	4.0	7.2	5.0
35	21	Stead & Sim 'A'	31	......	†2.29	1.4	11.4	9.5
72	44½	Strong & Fisher	71	......	h3.79	4.2	8.2	4.5
25½	14½	Stylo Shoes	20½	+½	0.70	—	4.4	—
23	17	Turner W & E 10p	23	+1	†1.42	2.2	9.5	7.4
33½	17	Ward White	32½	−1	m0.25	—	1.2	—
14½	9½	Wearra 10p	14½	......	1.17	2.2	12.4	5.6

SOUTH AFRICANS

1976/77 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's	P/E
305	[illegible]	Abercom R0.30	128	......	Q33c	[illegible]	[illegible]	2.7
700	[illegible]	Anglo Am. In. R1	390	......	Q63c	[illegible]	11.7	3.6
165	76	Ang. Tr's Ind. 50c	83	+1	Q18c	[illegible]	15.7	1.7
75	25	Edworks 10c	29	......	Q6c	[illegible]	[illegible]	1.9
80	27	Gold Flds. P. 2½c	50	+2	Q8c	[illegible]	[illegible]	10.0

TRUSTS—Continued

1976/77 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's	P/E
64	40	Cloverhouse 50p	63	......	3.2	ϕ	8.2	ϕ
8¾	4	Clifton Invs 10p	4½	......	—	—	—	—
66	41½	Clydesdale Inv.	62	+½	1.45	0.9	3.6	45.5
65	30½	Do. "B"	59	......	—	—	—	—
206	153	Colonial Secs. Dfd.	150	......	6.2	1.1	5.0	22.6
178	116	Continent'l & Ind.	172	......	†5.0	1.0	4.5	33.6
103	63	Continent'l Union	98	+2	2.3	1.4	3.6	30.3
124	91	Cres't Japan 50p	114	−1	—	—	—	—
62	33	Crossfriars	53	......	2.6	1.0	7.5	20.7
22	11	Cumulus Inv.	16	......	0.7	0.3	6.9	73.8
29	18	Danae Inc. (50p)	28	−½	2.83	1.1	15.6	9.0
3½	1½	Do. (Cap.) 10p	2¼	......	—	—	—	—
78	44	Debenture Corp.	73	......	2.45	1.1	5.2	27.5
144	124	Derby Tst. Inc. £1	139xd	−2	11.87	ϕ	13.1	ϕ
112	65	Do. Cap. 50p	110	......	—	—	—	—
66	39	Direct Spanish	66	......	‡t3.8	0.9	‡	—
269	125½	Dominion & Gen.	156	+1½	5.8	1.1	5.7	24.1
124	75	Drayton Com'el	112	+2	5.7	0.7	5.1	27.1
141	86	Do. Cons.	123	......	4.12	1.1	5.2	26.5
40	23½	Do Far Eastern	30	......	0.75	1.2	3.8	35.1
185	121	Do. Premier	166	+1	5.4	1.0	5.0	27.8
57½	39	Dualvest Inc. 50p	52	......	†3.73	1.0	11.0	13.6
164	81	Do. Capital £1	134	−2	—	—	—	—
52	30½	Dundee & Lon.	52	+1½	2.0	1.0	5.9	25.9
77½	52½	Edinburgh Am. Tst.	73½	+1	0.9	ϕ	1.9	ϕ
136	92	Edin. & Dundee	126½	+1½	†2.8	1.1	3.4	39.4
193	126	Edin. Inv. Df. £1	183½	+2	4.95	ϕ	4.7	ϕ
95	61	Electra Inv. Tst.	93	......	3.6	1.1	6.0	23.3
65	39½	Elect. & Gen.	63	−½	†1.1	1.4	2.7	41.6
35	19½	Embankment Trust	35	......	‡2.0	1.0	8.8	17.2
68	38	Eng. & Caledon'n	64	+2	2.3	1.1	5.5	25.0
66	44	Eng. & Internat'l	78	......	3.15	1.1	6.2	23.3
70	43	Eng. & N.Y. Trust	61	......	2.15	ϕ	5.5	ϕ
65	45	Eng. & Scot. Inv.	61	......	†h1.62	1.2	4.1	25.3
80	60	Equity Cons't £1	78½	......	5.52	1.1	10.6	13.2
79	59	Do. Def'd 50p	79	......	3.25	1.2	6.6	18.7
142	90	Equity Inc. 50p	139	......	7.47	1.1	8.3	16.3
45	30	Erskine House	40	......	m1.4	1.2	5.4	24.6
255	169	Estate Duties £1	215	......	b6.36	1.3	4.6	25.7
244	150	Estates House	205	+1	†7.0	1.1	5.3	33.6
50	26½	F. & C. Eurotrust	36	......	0.6	0.7	2.6	55.8
50	36	Family Inv. Tst.	46	......	†2.7	1.0	9.0	16.7
88	53½	First Scot. Am.	74½	......	2.3	1.1	4.8	30.2
16	7	First Talisman	7½	−½	—	—	—	—
47	8	Florest Inv.	17	......	1.54	1.0	13.9	11.5
148	92	Foreign & Col.	129	−2	†2.58	1.1	3.1	45.6
57	28	F.U.G.I.T. (R0.25)	31½xd	+½	Q4¾c	1.3	10.9	5.1
28	18	Fundinvest Inc.	27½	−½	1.92	1.0	10.8	14.2
67	24	Do. Cap.	58	−2	—	—	—	—
129	99	G.T. Japan	127xd	......	†1.0	1.5	1.2	82.7
110	74	Gen. & Comm'el.	105	......	†3.85	1.6	5.6	25.4
68	44	Gen. Consoldtd.	67	......	†2.5	1.1	5.8	23.3
123	88	General Funds	120	......	3.55	1.1	4.6	31.5
90	72	Do. Conv. 10p	90	+2	—	—	—	—
89	56	Gen. Investors	88	+1	t3.18	1.0	5.6	30.2
72	47½	Gen. Scottish	70	+½	2.7	1.1	5.9	24.2
94	58	Glasgow S'hldrs.	83	+1	2.05	ϕ	3.9	ϕ
78½	48½	Glendevon Inv.	69	......	1.4	1.2	3.1	42.4
72	44	Do. "B"	65	......	—	—	—	—
63	38½	Glenmurray Inv.	56	......	1.45	0.9	4.0	42.1
59	36	Do. 'B' Ord.	52	......	—	—	—	—
92	52	Globe Invest.	89½	......	3.35	1.2	5.8	22.9
64	39	Govett Europe	50½	......	1.6	0.9	4.9	35.9
66	35	Grange Trust	59	+1	1.81	1.2	4.7	27.9
92	53	Gt. North'n Inv.	85½xd	+2	3.45	ϕ	6.2	ϕ
73½	44	Greenfriar Inv.	70½	−2	1.2	ϕ	2.6	ϕ
39	21	Gresham Inv.	26xd	......	g1.79	1.5	10.6	10.4
43	27	Group Investors	43xd	......	†1.55	0.9	5.5	29.6
69	37	Guardian Inc. Tst.	68	......	1.96	1.0	4.4	33.6
77	46	Hambros	71	......	†3.0	1.0	6.5	23.4
48	30	Harcros Inv. 10p	45	−1	†1.45	1.2	5.0	25.2
36	25	Hellenic & G. 10p	35	......	1.64	2.0	7.2	10.9
144	[illegible]	Hill (Philip)	141	−1	†5.75	1.0	6.3	23.8
57½	33	Home Hlds. "A"	52	+2	3.09	1.2	9.3	13.4
48	30½	Do. "B"	47	+1	—	—	—	—
58¾	8¼	Ireland (S)	58¾	......	Q20c	—	2.3	—
805	640	Do. (£)	660	......	Q9.49	—	1.4	—
47	27½	Industrial & Gen.	42	−½	1.24	2.1	4.5	30.3
145	100	Int. Pac. Se. HK$4	110	......	Q16c	1.3	2.1	35.3

TRUSTS—Continued

1976/77 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's	P/E
42	29	Haw Par. S. $1	36	......	—	—	—	—
16½	9	Investment Co.	10	−2	f0.94	3.1	24.4	3.2
24	10	Jourdan (T.) 10p	23	+1	11.95	—	13.3	—
70	26½	Kakuzi Sh5	70	......	[illegible]	2.0	10.5	5.3
65	14	Kitch'n Taylor 10p	15	+1	—	—	—	—
21	12	Kwahu 10p	17	......	1.5	1.2	13.6	9.7
41½	7½	Lamont Hlds. 10p	12¾	......	0.7	—	8.8	—
56	1	Lampa Secs. 50p	53xd	+1	‡—	—	—	—
49	11	Lon. Euro. Grp.	13	......	±1.55	—	‡	—
43	22	Lon. Merchant	39	−1	†0.67	ϕ	3.4	ϕ
137	60	M. & G. Hldgs. 5p	83	+10	3.1	ϕ	5.5	ϕ
27	15	[illegible] 5p	23	−2	‡0.14	22.5	1.0	6.5
24	19	Mavelle Invs. 10p	23½	......	0.6	1.8	4.0	21.6
79	47	Martin (R.P.) 5p	74	−2	5.94	1.2	12.4	10.5
£12½	799	Mass. Mt. & R'lty	£10⅞	−¼	Q$1.08	—	6.2	—
21	12	N.M.C. Invs. 12½p	16	......	1.3	1.2	12.5	9.7
47	14	New Bridge Hlds.	28	......	‡Q3.0	2.4	16.7	4.4
225	145	Nippon F.I. Sg. 10p	220	......	—	—	—	—
16	5	Parambe 10p	6½	......	—	—	—	—
12	8½	Park Place Inv.	12	......	0.43	2.2	5.5	10.0
149	96	Pearson (S.) & Son	129	−1	5.54	2.7	6.6	5.7
£56½	£36	[illegible]	£47	−1	Q9.4%	—	6.3	—
8½	5½	St. George 10p	7	......	0.39	1.2	8.6	15.0
71	36	Scot. & Merc. 'A'	69	−2	2.1	1.5	6.0	15.6
£55	£40	S.E. Sing. Am.	£42	......	Q4.25	—	10.1	—
66	27	Smith Bros.	47	−1	4.0	1.2	13.1	9.7
15	8	Sthn. Pac. HK50c	10	......	—	—	—	4.7
£60	£31½	Suez Fin. NF100	£31½	−½	Q22½	—	9.0	—
£12	£10	Trans. Mkt. Tst. 1p	£10¼	−½	Q21.49	1.0	2.4	♣
36	16½	Vavasseur P/L	36	......	—	—	—	—
31	19	Wstn. Select. 20p	28	......	1.98	ϕ	11.5	ϕ
36	20	West of England	29	+½	1.24	2.9	6.6	8.2
25	12	Wstn. Hud'n 20p	24½	+½	‡—	—	—	—
20½	8	York Trust 20p	9½	......	—	—	—	9.4
43	28	Yule Catto 10p	41	−1	†1.15	2.0	4.3	15.0

OILS

1976/77 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's	P/E
71	44	Attock 20p	62	−1	4.2	1.4	10.4	(8.9)
45	25	‡Ball & Collins £1	37	+1	—	—	—	—
54	14	Berry Wiggins	30	......	±1.92	2.1	‡	—
158	98	Brit. Borneo 10p	140	......	‡†5.49	1.4	6.0	16.2
950	557	Brit. Petrol'm. £1	930	−6	†17.99	1.5	3.0	28.1
71	54	Do. 8% Pf. £1	67	+½	5.6%	[illegible]	12.9	—
80	25	Burmah £1	77	−1	—	—	—	—
£50¼	£34	Do. 7½% Ln. 91/96	£50½	+¼	Q8½%	—	e17.8	—
£17½	£12	‡CCP Nth. Sea £1	£14	......	—	—	—	—
59	29	Century 10p	59	......	g2.39	2.3	6.2	11.7
£27½	£15	Cie Fr. Petroles B	£16½	......	Q15½r	1.3	11.9	6.4
17¼	8¼	Endeavour 30c	11	......	—	—	—	—
30	17	Int. Oil 50c	17	......	—	—	—	—
£92	£75½	LASMO 14% 1980-85	£91¼	−¼	Q14%	—	e16.0	—
310	158	LASMO "Ops" 10p	308	......	—	—	—	—
108	58	Oil Expl. 10p	96	......	b1.39	2.7	3.1	18.7
14	4½	Premier Cons. 5p	13	......	—	—	—	—
£29	£10¼	Ranger Oil	£16¾	−¼	—	—	—	—
5	3	Reynolds Dev. 1c	3	......	—	—	—	—
£45⅝	£31¼	Rsl. Dutch FL20	£42¼	−⅛	[illegible]	2.7	5.1	7.2
524	352	Shell Trans. Reg.	518	−6	g14.06	3.6	4.2	8.1
61	48	Do. 7% Pf. £1	58	+1	4.9%	[illegible]	13.0	—
330	80	‡Siebens (UK) £1	150	−10	—	—	—	—
£15¼	480	Sunningdale Oils	£13¾	......	—	—	—	—
£65	£47½	Texaco 4¾% Cnv.	£60	......	Q4¾%	—	f8.2	—
138	43	Tricentrol	133	......	10.65	—	0.8	29.2
201	98	Ultramar	158	−2	—	—	—	6.0
106	73	Do. 7pc Cnv.	104½	+½	Q7.0	12.0	9.6	—
90	50	Weeks Nat. 10cts.	50	......	—	—	—	—
90	50	Do. Pfd. Ord 10c	50	......	Q15¼c	—	19.4	—
32	11	Do. Options	12	......	—	—	—	—
•162	74	Wood-Brn. A50c.	110	−5	—	—	—	—

OVERSEAS TRADERS

1976/77 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's	P/E
111	81	Anst. Agric. 50c	95	+2	—	—	—	—
175	103	Barstead (S. & W.)	167	−2	6.5	3.3	6.1	7.6
170	93	Booker McC. 50p	146	−2	t6.34	4.1	6.7	6.2
93	56	[illegible]	90	−2	6.0	2.4	10.3	5.8

MINES—Continued

CENTRAL AFRICAN

1976/7 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
165	38	Coronation 25c	48	+3	Q5c	ϕ	7.5
130	68	Falcon Rh.50c	76	......	Q35c	1.7	45.1
25	9	Rhod'n Corp. 16⅔p	11	......	0.56	6.0	7.8
195	120	Roan Cons. K4	140	......	—	—	—
178	140	Tanganyika 50p	158	+2	Q10.0	0.8	6.3
70	65	Do. Pref. 80p	70	......	Q9	10.2	10.3
54	25	Wankie Col. Rh.1	30	......	Q7½c	1.5	24.5
46	14	Zam. Cpr. SBD0.24	24	+2½	—	—	—

AUSTRALIAN

1976/7 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
33	17	Acmex 25c	17	......	—	—	—
165	96	Bougainville 50 Toea	98	−4	Q10c	ϕ	6.4
•225	90	BH South 50c	97	−3	—	—	—
75	3	G.M. Kalgoorlie $1	18	......	—	—	—
106	58	Hamptn Areas 5p	82	−6	13	5.0	2.4
86	22	Metals Ex. 50c	22	−3	—	—	—
24	12	Metramar 20c	15	......	—	—	—
294	184	M.I.M. Hldgs. 50c	200xd	−7	†Q4½c	1.8	1.4
105	20	Mount Lyell 25c	20	......	—	—	—
3	2	Newmetal 10c	2	......	—	—	—
113	69	North B. Hill 50c	90	−2	Q9c	1.3	6.2
9	5	Nth. Kalgurli	5	−½	—	—	—
112	65	Oakbridge $A1	89	−2	Q9c	1.5	6.4
63	14	Pacific Copper	33	+11	—	—	—
£19½	525	Pancont'l 25c	775	+25	—	—	—
17	8½	Paringa M&Ex. 5p	9	......	—	—	—
492	310	Peko-Wallsend 50c	370	−10	Q15c	ϕ	2.5
300	60	Poseidon 20c	75#	......	—	—	—
13	6	Vulcan Mn. 50c	8	......	—	—	—
9	4	Westmex 10c	4	......	—	—	—
•199	113	Westn. Mining 50c	114	−6	Q5c	1.3	2.7
105	36	Whim Creek 20c	85	−5	—	—	—

TINS

1976/7 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
30	13	Amal. Nigeria	24xd	......	0.93	0.9	6.0
373	160	Ayer Hitam $M1	335	......	23.0	1.4	10.6
39	17	Beralt Tin	39	+1	24.0	2.8	15.8
415	315	Berjuntai SM$1	410	......	†Q1.5	ϕ	9.1
330	155	Geevor	320	......	26.5	—	3.1
14	6	Gold & Base 12½p	11	......	—	—	—
252	170	Gopeng Cons.	235xd	......	†11.0	1.3	7.2
80	64	Hongkong	75	......	—	—	—
70	56	Idris 10p	63xd	......	7.15	ϕ	17.5
10	6	Jantar 12½p	9	......	—	—	—
42	31	Kamunting 15p	36	......	‡7.0	1.2	‡
310	135	Killinghall	310	......	Q50.0	ϕ	16.1
247	168	Malay Dredging	240	−3	11.0	1.1	7.0
38	20	‡Pahang	27#	......	Q2.5	0.5	9.2
55	40	Pengkalen 10p	50xd	......	5.5	ϕ	‡
145	104	Petaling SM1	135	......	Q17½c	10.9	2.3
95	19	Saint Piran	90	......	†1.25	2.5	2.1
103	64	South Kinta (10p)	95	......	7.5	0.6	12.1
207	205	Sthn. Malayan	290	−2	11.8	1.1	9.6
62	31	Sungei Besi SM1	61	......	—	—	—
45	29	Supreme Corp. SM1	45	......	2Q10	—	5.5
55	40	Tanjong 15p	53xd	......	4.64	b1.8	13.5
65	40	Tongkah Hrbr. SM1	60	......	Q6.92%	0.3	7.0
110	50	Tronoh SM1	95	......	†4.29	2.0	6.9

COPPER

1976/7 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
85	35	Botswana RST P2	36	......	—	—	—
335	136	Messina R0.50	155	−2	Q45c	2.8	21.0

MISCELLANOUS

1976/7 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
10	8	Burma Mines 17½p	9	......	0.1	ϕ	1.8
35½	15½	Charterhall 5p	26	+½	—	—	—
90	28	Colby Mines $C1	63	+1	—	—	—
930	420	Cons. Murch. 10c	400	+5	Q140c	ϕ	23.0
440	245	Northgate C$1	380	+10	—	—	—
239	132	R.T.Z.	184	−1	g5.96	2.1	5.0
112	55	Sabina Inds. C$1	57	......	—	—	—
£15¾	£10	Tara Exptn. $1	£11⅝	......	—	—	—
48	32½	Tehidy Minerals 10p	48	......	t1.19	2.2	3.8
145	84	Yukon Cons. C$1	127	......	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures; they are adjusted to ACT of 35 per cent. P/Es are calculated on the basis of net distribution; bracketed figures indicate 10 per cent. or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution. Yields are based on middle prices, are gross and allow for value of declared distributions and rights. Securities with denominations other than sterling are quoted inclusive of the investment dollar premium.

- ▲ Sterling denominated securities which include investment dollar premium.
- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents.
- ◆ Figures or report awaited.
- †† Unlisted security.
- ¢ Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ** Free of Stamp Duty.
- ◆ Merger bid or reorganisation in progress.
- ϕ Not comparable.
- ◆ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- † Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ☆ *Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.*
- ▼ Excluding a final dividend declaration.
- ♦ Regional price.
- ▮ No par value.

a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. r Australian currency. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Issue price. F Dividend and yield based on prospectus or other official estimates for 1977-78. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1976-77. K Figures based on prospectus or other official estimates for 1976-77. M Figures based on prospectus or other official estimates for 1976. N Dividend and yield based on prospectus or other official estimates for 1978. P Dividend and yield based on prospectus or other official estimates for 1977. Q Gross. T Figures assumed. U No significant Corporation Tax payable. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

"Recent Issues" and "Rights" Page 34

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £325 per annum for each security

REGIONAL MARKETS

The following is a selection of London quotations of shares previously listed only in regional markets. Prices of Irish issues, most of which are not officially listed in London, are as quoted on the Irish exchange.

Stock	Price	+ or −
Albany Inv. 20p	18	......
Ash Spinning	34	......
Bertam	16	+1
Bdg'wtr. Est. 50p	143	+3
Clover Croft	21	......
Craig & Rose £1	360	......
Dyson (R.A.)	23	......
Ellis & McHdy	59	......
Evans Fr'k 10p	25	......
Evered	7½	......
Fife Forge	49	......
Finlay Pkg. 5p	16	......
Graig Ship. £1	290	......
Hallam Sleigh 10p	9½	—
Higsons Brew	85	......
I.O.M. Stm. £1	133xd	......
Holt (Jos.) 25p	200	......
Kleen-e-Ze	40	......
Lovell's Ship £1	180	......
N'thn. Goldsmith	26	......
Pearce (C. H.)	85	......
Peel Mills	14	......
RobbCaledon 25p	42	......
Sayers 12½p	16	......
Sheffield Brick	80	+2
Sheff. Refrshmt.	140	......
Shiloh Spinn	22	......
Sindall (Wm.)	49	......

IRISH

Stock	Price	+ or −
Conv. 9% '80/82	£89½	......
Alliance Gas	43	+1
Arnott	250	......
Carroll (P.J.)	136	+1
Clondalkin	34	+2
Concrete Prods.	73	......
Helton (Hldgs.)	23	−3
Ind. News	46	−1
Ins. Corp.	130	......
Irish Distillers	52	+3
Irish Ropes	97	......
Jacob	47	......
Sunbeam	14	−1
T.M.G.	115	......
Unidare	49	+1

OPTIONS
3-month Call rates

Industrials	
A. Brew	6½
A.P. Cement	18
B.S.R.	10
Babcock	8
Barclays Bank	25
Berry Wiggins	5
Beecham	32
Boots Drug	12
Bowaters	16
B.A.T.	21
British Oxygen	6
Brown (J.)	10
Burton 'A'	6
Cadburys	3
Cavenham	10
Courtaulds	10
Debenhams	8
Distillers	13
Dunlop	8½
Eagle Star	11
E.M.I.	20
Gen. Accident	17
Gen. Electric	17
Glaxo	36
Grand Met.	7
G.U.S. 'A'	18
Guardian	18
G.K.N.	25
Hawker Sidd.	40
House of Fraser	0
I.C.I.	25
"Imps"	7
I.C.L.	14
Inveresk	7
Ladbroke	11
Legal & Gen.	12
Lex Service	5
Lloyds Bank	22
"Lofs"	5
London Brick	5
Lonrho	8
Lucas Inds.	20
"Mums"	7
Mrks. & Spncr	10
Midland Bank	25
Nt. West. Bank	22
Do. Warrants	9
P & O Dfd.	12
Plessey	7
R.H.M.	5
Rank Org. 'A'	18
Reed Intl.	20
Reyrolle	12
Spillers	4
Tesco	4
Thorn 'A'	22
Trust Houses	13
Tube Invest.	30
Unilever	40
Utd. Drapery	7½
Vickers	15
Woolworths	6
Property	
Brit. Land	3½
Cap. Counties	3
E.P.	5
Intereuropean	7
Land Secs.	14
MEPC	7
Peachey	6
Samuel Props.	4½
Town & City	1½
Oils	
Brit. Petroleum	60
Burmah Oil	8
Shell	20
Ultramar	14
Mines	
Charter Cons.	15
Charterhall Fin.	4
Cons. Gold	13
Rio T. Zinc	18

A selection of Options traded is given on the London Stock Exchange Report page

FINANCIAL TIMES
Tuesday February 8 1977

Agreement reached on Meriden rescue

BY TERRY DODSWORTH AND PETER CARTWRIGHT

THE GOVERNMENT yesterday cleared the way for the rebirth of the Meriden Motorcycle Co-operative under the guidance of private enterprise GEC, headed by Sir Arnold Weinstock.

The deal, which involves GEC in providing £1m. of revolving funds to the co-operative for up to three years, was outlined to the House of Commons by Mr. Eric Varley, the Industry Secretary, after a month of protracted negotiations.

It comes only just in time to save the jobs of the 700-man co-operative, which has been forced to lay off 600 members of its workforce within the last few days because of its acute financial difficulties.

Mr. Varley welcomed the intervention of GEC to "assist the continuation of this important experiment in industrial organisation."

The co-operative had made a promising start, but had not been able to "demonstrate its ability to create the necessary conditions for long-term viability without further support from Government funds. The Government believes that this valuable and interesting experiment should be given a fair opportunity to demonstrate this."

Lord Stokes, former chairman of British Leyland, had agreed to act as a consultant on North America and international sales.

The central points of the plan, mainly devised by Mr. Harold Lever, the Prime Minister's economic adviser, and Mr. Geoffrey Robinson, MP for Coventry North West, and chief negotiator for the Co-operative are:

1—GEC will provide £1m. to buy motorcycles from the co-operative. Injection of these funds will help Meriden overcome the immediate cash crisis, and GEC is to collect a handling charge of £15 a vehicle for marketing them.

It is understood that this £1m. facility will be made available for up to three years on a revolving basis.

2—GEC will also provide managerial aid. A team of three senior GEC personnel, acting under the company's head office controller, have been seconded to the co-operative on the production side, where Meriden is said to be weak. These will be a production engineer, a liaison official, and a product development manager available a few days a week.

3—GEC will also help to build up Meriden's marketing organisation and to recruit staff. The co-opeartive is looking for a managing director.

4—The Government will provide the Co-operative with up to £500,000 to buy the marketing organisation for its bicycles from Norton Villiers Triumph, another motor-cycle company in which it has a stake.

This will be largely a paper transaction, since NVT has agreed to return the money to the Government "as payment for the redemption of an equivalent value of its Preference shares held by the Department of Industry."

5—The Government will also defer interest payments on its £4.2m. loan to the Co-operative, and subordinate this to all other creditors.

Mr. Varley said yesterday that the interest deferred would amount to £1.05m. up to the end of December next year.

Mr. Robinson, who has played the major role for the co-operative during the negotiations, welcomed the plan yesterday but said that it might take another three weeks to sort out the legal details.

He said that when the co-operative started production again, it might go for a slightly larger production target than previously.

Lord Stokes had already made a favourable report on the American market's capacity to take the Meriden product.

Parliament, Page 12

Central bank chiefs agree on sterling support measures

BY ROBERT MAUTHNER

BASLE, Feb. 7.

CENTRAL BANKERS from the major Western industrialised countries, agreed tonight on the final details of the $3bn. Bank for International Settlements standby credit, which was arranged last month to help Britain achieve an orderly rundown of official foreign-held sterling balances.

In addition to those countries which agreed last month to make contributions—the U.S. is providing $1bn., West Germany $600m. and Switzerland $300m.—Austria, Denmark and Norway to-day agreed to contribute $30m. each.

Although the final agreement was confirmed by several central bank governors, they declined to elaborate on how the remaining technical points were settled. It was unclear, in particular, what if any additional conditions had been set to trigger off drawings from the credit.

Mr. Denis Healey, Chancellor of the Exchequer, mentioned only one main criterion for drawings in his Commons statement on January 10.

This was that for two years, and possibly another year, the U.K. could draw funds to make up for any reduction in the official foreign sterling holdings below their December 1976 level.

Reductions resulting from conversions into the foreign currency bonds to be offered by the U.K. to foreign holders of sterling were to be excluded from this calculation.

Earlier to-day, however, some bankers, no doubt impressed by the large influx of funds into the U.K. last month—which boosted the reserves to $7bn.—said that the level of the reserves should become an additional criterion for drawings.

They suggested that a specific ceiling be set for the reserves. If reserves rose above this, the U.K. would not be entitled to draw on the $3bn. facility.

It was still uncertain tonight whether this additional condition was embodied in the final agreement. But some experts admitted earlier that it would be difficult to operate such a dual criteria system in practice.

Mr. Gordon Richardson, Governor of the Bank of England, was due to present a report to his colleagues on the response which the Government had from foreign sterling holders to its offer to convert their holdings into foreign currency bonds.

Emergency plan launched for shipbuilding industry

BY KEVIN DONE, INDUSTRIAL STAFF

THE GOVERNMENT yesterday launched its emergency measures aimed at shoring up the ailing shipbuilding industry until it can overcome the delays that have halted progress towards nationalisation.

It is setting up a holding company in the next two weeks—National Shipbuilders and Repairers Limited—based on the existing State-owned yards. It has been charged by Mr. Eric Varley, the Industry Secretary, with taking on "the crucial role in seeking orders for the British shipbuilding industry to support the marketing effort of the individual companies."

The Prime Minister yesterday told leaders of the General Council of British Shipping that the Government is seriously considering granting selective aid to British yards to enable them to compete more easily in world markets.

Mr. Callaghan urged British owners in talks at Downing Street to increase their support of U.K. yards by placing as many orders as possible in this country and emphasised the need to preserve a viable, competitive British shipbuilding industry.

As the Bill to nationalise the shipbuilding and aircraft industries has become bogged down in controversy over its alleged hybridity, the shipbuilding industry has been left without a national policy at a time when at least 10,000 jobs are threatened this year by the desperate shortage of orders world-wide.

Several other major shipbuilding countries are committed to a planned contraction of their industries along with granting subsidies to either yards or owners to enable them to gain a larger share of available orders.

Yesterday's statements by the Prime Minister and the Industry Secretary will have done little to ease the anxieties of the British industry. Mr. Varley said the Government was greatly concerned at the delay in nationalising the industries "and the damage this is causing to the long-term future" of aircraft and shipbuilding.

Day-to-day

The Government was wholly committed to the Bill, but in the interim period the new company would hold in trust the public shareholdings in shipbuilding, ship-repairing and marine engine building companies. This move encompasses the existing State-owned yards, Govan Shipbuilders, Sunderland Shipbuilders, Appledore Shipbuilders and Cammell Laird (which is 50 per cent. owned by the Laird Group).

It is intended that the boards of the companies will continue to be responsible for direct management of all day-to-day activities, such as selling, industrial relations and wage negotiations.

The holding company's crucial role will be in undertaking a marketing effort on behalf of the whole industry, but no details have yet been given of the way it will relate to the private shipbuilders.

Sir Anthony Griffin will be chairman of National Shipbuilders and Repairers. He is also chairman designate of British Shipbuilders, the organisation due to run the industry after nationalisation.

Mr. Michael Casey, the Under-Secretary responsible for Shipbuilding at the Department of Industry, has been appointed chief executive and also acting managing director of the organising committee of British Shipbuilders, succeeding Mr. J. Graham Day, who resigned in December. Mr. Casey is in Nigeria this week closing a £200m. order for 19 ships.

Other members of the organising committee, who announced their resignations shortly after Mr. Day, will serve on the board for their remaining periods. Mr. John Chalmers and Mr. Les Gregory, trades union members of the organising committee, will be non-executive members of the board and further appointments will be announced in the near future.

The new company will be absorbed into British Shipbuilders when it is formed.

Continued from Page 1

Wholesale price rise

the impact can be seen in the underlying rate of retail price inflation.

Over the year to the fourth quarter, the Treasury forecast is for a 15 per cent. rise in the cost of living with a possibly higher rate in the next few months.

These hopes rest on the success of the pay policy, the extent to which companies exploit the relaxation of the Price Code, and, in particular, on raw material costs.

The materials index had until last month's sharp rise shown signs of levelling out—and fell in December because of the strength of sterling, for an overall rise of 4.8 per cent. in the fourth quarter.

The higher dollar price for oil after the OPEC meeting accounted for three-quarters of the 2½ per cent. rise in the index of materials bought by manufacturing, excluding the food, drink and tobacco sector.

Even after allowing for this, the underlying increase was ominously large since the average value of sterling was about 2 per cent. higher in January, compared with the previous month.

This rise is explained by a general rise in commodity prices—particularly paper and paper board, newsprint, aluminium and copper—which would clearly gather pace if the world economic recovery picks up.

Last month, there were lower prices for imported steel, imported chemicals and woodpulp.

Both the materials and output indices for food increased sharply again last month. The cost of food manufacturing purchases was 2¾ per cent. up last month (for a 21.2 per cent. rise in the last year), mainly because of higher prices for milk.

Lower prices for imported wheat largely offset higher prices for other raw materials.

Output prices of food manufacturers rose by 3½ per cent. in January (for a 23.8 per cent. increase in the last year), with higher prices for milk and chocolate confectionery responsible for half the increase.

The index for all manufactured products rose by 19½ per cent. in the 12 months to January, compared with a 17¾ per cent. increase in the year to December.

TUC warning on the extent of pay demands

BY ROY ROGERS, LABOUR CORRESPONDENT

A WARNING THAT unions will have to drop or delay pressing for some of the pay policy demands made at last year's TUC Congress if the attack on inflation and rising unemployment is to be maintained has come from the TUC.

Members of the TUC's economic committee meet tomorrow to hear a report about last week's preliminary pay policy talks between their negotiators and Mr. Denis Healey, the Chancellor of the Exchequer, and to consider the TUC's annual economic review.

A confidential draft of the review, circulating among committee members, includes a list of possible approaches on pay, and appears to recommend preferential treatment under the next policy for the "higher paid, skilled workers."

A variety of possible approaches are set out in the document which, while it does not draw any conclusions, does give a strong indication of the way the TUC headquarters staff expect negotiations to develop.

Stressing that the TUC's existing priorities for a planned return to free collective bargaining, including satisfactory pay differentials, special measures to help low-paid workers, consolidation of existing supplements, and the introduction of genuine productivity schemes, "may not all be realisable in the course of one year," the report hints at how the priorities could be amended.

It could be argued, says the review, that the past two years of restraint had significantly benefited the low-paid and that "the time has come for special treatment for the higher paid, skilled worker."

The TUC economic department, which drew up the Review, suggests that such a policy would probably also require a low-pay target and puts forward two figures for discussion — £40 "where it would affect only a small number" or £48 which, it warns, could lead to general settlements similar to those of 1974-75, which were about 30 per cent. up.

It also points out that Schedule 11 of the Employment Protection Act offers an effective way of raising the standards of lower paid workers and resolving anomalies in pay structure where groups of workers have "legitimate" grievances.

Consolidation into basic rates of the present £6 and 5 per cent. allowances stemming from previous policies would add between 3 and 4 per cent. on the national wage bill, would reduce that amount available for general increases and might cause resentment among workers who do no overtime or shift working and therefore would get no benefit from consolidation.

Continuation of the 12-month limit between pay settlements, although with some provision for averaging pay dates where companies are seeking to bring different groups onto common pay dates, is suggested, as is priority in earlier retirement for workers in "hazardous and arduous conditions."

State BP share sale not irrevocable

BY RAY DAFTER AND JOHN HUNT

THE GOVERNMENT has conceded that it may have second thoughts about the sale of £600m. worth of BP shares acquired from Burmah Oil, and now held by the Bank of England.

Mr. Harold Lever, Chancellor of the Duchy of Lancaster, told the Commons yesterday that the decision to sell almost one-fifth of BP's total shareholding was not completely irrevocable.

Although it was still the Cabinet's collective decision that the sale should go ahead, it was a matter "that can be looked at and discussed."

Mr. Lever was being questioned about a Financial Times report on Friday that a number of Cabinet members, including Mr. Anthony Wedgwood Benn, the Energy Secretary, were opposed to the sale.

Mr. Dennis Skinner (Lab., Bolsover) asked him if he did not share Mr. Benn's view that the sale was not needed in view of the much rosier economic situation.

"It would be foolish to treat this as if it were a fundamental plank of the covenant, that we should sell it off or not sell it off," said Mr. Lever.

The Government's decision to sell the shares was one of the package measures presented to the International Monetary Fund in support of the recent $3.9bn. loan.

Mr. Benn and a small group of Cabinet members feel that the sale is unnecessary, in view of Britain's strengthening financial situation. They point to the IMF loan, the $3bn. "safety net" arrangement with Central Banks, and the improvement in the gilt-edged market.

Reasons for opposing the sale include their fundamental dislike of reducing the State holding in Britain's major oil company. Led by Mr. Benn, who has always been critical of the proposal, they also feel that the BP share price will improve once Alaskan oil begins to flow, thus giving the Government the opportunity of raising even larger funds.

Third, it is understood that Mr. Benn is concerned about the position of the State's holding in BP if Burmah Oil wins a lawsuit against the Bank of England. Burmah is claiming back the shares at the original purchase price.

It is said by Mr. Benn and others that if the Government sells the bulk of the 20 per cent. holding, and the lawsuit is lost, the State will be left with a much diluted interest in the oil company, a position which the Left Wing will not tolerate.

The Cabinet has decided that if the Bank of England holding cannot be disposed of, a similar block of BP shares will be sold from the 48 per cent. directly held by the Government.

As it is, not all the Bank of England-held shares are due to be sold. The Government aims to retain a small proportion to add to the 48 per cent. it held before the Burmah rescue deal. In this way, it would keep the State interest in BP at about 51 per cent.

Continued from Page 1

Honours List row

The former Premier and Mr. Haines, a former political journalist, drifted apart when Sir Harold left 10 Downing Street.

Mr. Haines was Sir Harold's Press secretary for six years, when he was a jealous protector and created a formidable barrier between the Prime Minister and political journalists.

He was one of Sir Harold's closest confidants and is now a political columnist for the Daily Mirror.

Mr. Nicholas Fairbairn, Tory MP for Kinross and West Perthshire, claimed in a letter to Mr. Callaghan that it was a matter of "supreme national concern" to clear the matter up.

He called on the Prime Minister to set up a public judicial committee or a Royal Commission to expose the truth of the alternative versions.

Weather

U.K. TO-DAY

Cent. and N. districts: Frost or fog at first. E. areas: Bright with rain later

London, S.E., Cent. S. England, Midlands, N. Wales, Isle of Man, N. Ireland

Mainly cloudy, rain at times. Wind S.W., moderate or fresh. Mild. Max. temp. 10-11C (50F-52F).

E. Anglia, E., N.W., Cent. N., N.E. England, Borders

Early fog, bright with rain later. Mild. Max. 9-10C (46-50F).

Channel Islands, S.W. England, S. Wales

Rain at times. Mild. Max. 11C (52F).

Lake District, Scotland

Bright spells, rain later. Mild. Max. 10C (50F).

Outlook: Rain at times. Bright spells. Mild in S.

Lighting-up: London 17.31, Manchester 17.35, Glasgow 17.36.

Snow reports Page 12

BUSINESS CENTRES

		Y'day mid-day °C	°F			Y'day mid-day °C	°F
Amstdm.	C	8	46	Madrid	S	12	54
Athens	F	17	63	Manchestr.	C	9	48
Barcelona	S	15	59	Melbourne	F	21	70
Belfast	C	6	43	Mexico C.	S	19	66
Belgrade	F	5	41	Montreal	Sn	−17	1
Berlin	R	6	43	Moscow	S	−11	12
Bmghm.	C	9	48	Munich	S	11	52
Bristol	C	9	48	Newcastle	S	7	45
Brussels	R	8	46	New York	S	−5	23
Budapest	Sn	1	34	Oslo	Sn	−5	23
B. Aires	S	29	85	Paris	C	12	54
Cairo	S	18	64	Perth	F	39	102
Cardiff	C	9	48	Reykjavik	C	3	37
Cologne	R	15	59	Rio de J'o	S	34	94
Copnhagn.	C	4	39	Rome	S	16	61
Dublin	R	5	41	Singapore	C	29	84
Edinbrgh.	R	6	43	Stockhlm.	C	2	36
Geneva	S	11	52	Sydney	C	22	72
Glasgow	S	6	43	Tehran	C	5	41
Helsinki	Sn	−5	23	Tel Aviv	C	13	55
H. Kong	S	14	57	Tokyo	S	6	43
Jo'burg	S	21	70	Toronto	S	−14	7
Lisbon	C	11	52	Vienna	R	5	41
London	C	10	50	Zurich	C	7	45

HOLIDAY RESORTS

		°C	°F			°C	°F
Ajaccio	S	17	63	Jersey	C	10	50
Biarritz	S	15	59	Las Plms.	S	20	68
Blackpool	C	7	45	Majorca	S	15	59
Bordeaux	S	13	55	Malaga	F	18	64
Cape Town	S	23	73	Malta	S	16	61
Corfu	F	14	57	Nairobi	S	24	75
Faro	F	16	61	Naples	F	15	59
Gibraltar	F	17	63	Nice	F	13	55
Guernsey	C	9	48	Oporto	S	13	55
Innsbruck	F	7	45	Tenerife	S	20	68
Inverness	F	5	41	Valencia	S	18	64
Isle of Man	C	8	46	Venice	Fg	4	39

C—Cloudy. F—Fair. S—Sunny. R—Rain. Sn—Snow. Fg—Fog.

THE LEX COLUMN

FFI comes back after 2 years

Arm-twisting was one description of the way the institutions were persuaded to subscribe two years ago to Finance for Industry's £75m. issue of six-year Unsecured Loan stock. Unless something really nasty happens to the gilt market by Friday, however, the main problem with FFI's latest issue — £50m. of 14 per cent. stock dated 1983 at 99½—is likely to be in coping with the rush of applications. Since those early unfortunate days the market rating of the earlier 13 per cent. stock has improved, so that it yields much the same as corporation stocks and only about a point over the corresponding gilt. But the 14 per cent. stock—admittedly two years longer — carries a margin of more like two points over gilts, and the stags will be further attracted by the fact that only £10 is payable initially.

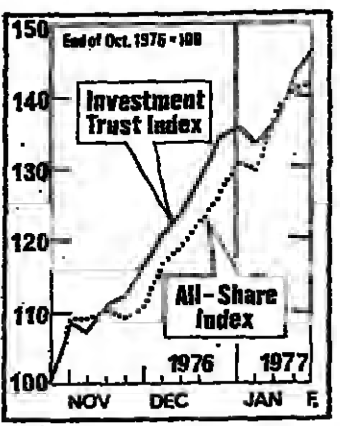
FFI has come to the market at this stage—when the local authorities are still holding off—partly because it faces an awkward "close season" beyond its end-March balance-sheet date, delaying any issue until the next accounts are ready in July, and partly because it can now fund retrospectively the fixed rate portion of its own lending over the past 18 months with a margin to spare. The issue, apparently, carries no message about the future cost of fixed rate loans from FFI.

Williams Hudson

The offer document from the private investment company, Argo Group (chairman, Mr. D. J. Rowland), for the Williams Hudson Group (chairman, Mr. D. J. Rowland) makes no effort to dress up this attempt to buy out the minority on the cheap. Instead it relies on putting pressure on shareholders by reminding them that their listing could be withdrawn if only a few of them hold out, and that Hudson has threatened a rights issue this year if conditions permit.

Mr. Rowland hopes that everyone will accept the offer "rather than remain in a small outside minority." Argo, which already controls 65 per cent. of the Ordinary, is offering 25p per share for a business which has already gone a long way towards unwinding its gearing problem, and has net assets of 80p per share. Holders of the 8½ per cent. Convertible are being offered £34.93 per £100 of stock, compared with a market price of £45 before the

Index fell 6.3 to 397.5



news. There is no offer at all for the Preference shares.

Williams Hudson is apparently going to produce a forecast for the year ending next month, and some guidance is also required on its tax status now that it has sold the ships which were the basis of its tax deferrals in the past. In any circumstances, loan stock holders can hardly be expected to take the terms seriously. But it is clear that a fair number of the Ordinary shareholders have already decided to take the money and run.

They can hardly be blamed, considering the catalogue of disasters which has struck the company since the takeover in 1971. This includes write-downs and losses against its investments in Venesta International, the U.S. and the Netherlands amounting to some £8m., and a pre-tax loss of £4.2m. on its attempted warehousing of Vickers. These have been partly offset by disclosed dealing profits of £3¾m., but the strength of the original business has still deteriorated sadly over the period.

Guinness Peat

Guinness Peat's agreed offer for London Electrical and General Trust is roughly equivalent to a one-for-three rights issue, bringing in some £10.5m. of new capital net of the £2m. cash element. The group has not materially changed its capital base since the restructuring in October 1975 when the loan stock holders were offered early conversion terms. Now rising commodity prices and overseas capital projects are causing it to take up higher facilities elsewhere, and an increase of a third or so in th equity base will clearly b useful. Other potential bidders—like U.K. Provident with a stak of 11 per cent.—were nibblin at LEGT in any case, and straight rights issue might hav posed more problems for GP family shareholders.

The deal serves to keep th pot boiling in the investme trust sector, for on the basis the all-cash underwritten alte native GP is paying 5 per cen over LEGT's net asset value p share on the most conservati definition, whereas the Briti Rail pension funds have on offered Standard Trust a 5 p cent. discount.

Lamson Industries

Judging by the sharp drop Lamson Industries share pri yesterday, the minority sha holders were expecting som thing better than Moore C poration's 85p-a-share cash off for the outstanding 48 per ce Since last week's news th Moore Corporation wanted buy out the minority, t Lamson share price had ris by two-thirds on the assumpti that Moore Corporation, wh paid 100p a share to g control of Lamson Industr back in 1973, would at le repeat its terms. Though subsequent profit record been volatile, Lamson Ind tries' profits are now runn comfortably ahead of levels.

If the appreciation of Canadian dollar is taken account the bid (in do terms) is worth roughly a th less than the 1973 offer. Mo argues, however, that the s tion is radically different. in 1973 the p/e ratio on FT 500 share index was 14 against a figure of under currently, and its present o was pitched 49 per cent. ab the market price ahead of announcement, compared wit 43 per cent. premium last ti But not everyone is convin that the offer is high enoug

Graff Diamonds

Sandstar (the vehicle of Laurence Graff) has scrap the scheme of arrange which was intended to pr the Graff Diamonds mino and is going back to a str offer, stamp duty and all. Sh holders who do not wish to now do not have to. But future position of any rem ing small minority is unc and it is not even certain Graff will retain a quotatio

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